



U.S. WHEAT
ASSOCIATES

World Wheat Supply and Demand Situation

Major data source: USDA World Agricultural Supply and Demand Estimates released September 11, 2020, unless otherwise indicated. Projections will change over the course of the year depending on weather and other developments.

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Major Exporters

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Import Demand

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U.S. Situation by Class

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Outlook



Highlights of USDA's 2020/21 Supply and Demand Estimates

2020/21 global wheat production to jump to a record 770 MMT

- Production in Canada to increase 11% from last year to 36.0 MMT, the second-largest crop on record
- Australian production to jump 87% from last year to 28.5 MMT as beneficial rains pull the country out of a three-year drought
- U.S. production to decrease 4% from last year to 50.0 MMT on lower yields and decreased planted area

Global consumption forecast at 751 MMT, the highest on record

- Mexican domestic consumption to reach 7.60 MMT, 3% more than last year
- Domestic consumption in Egypt to reach a record 20.8 MMT, up 5% from the 5-year average
- U.S. domestic consumption to increase to 30.2 MMT, up 1% from 2019/20

World wheat trade to fall 1% from last year's record to 189 MMT

- Exports from the European Union (EU) to fall 34% on the year to 25.5 MMT, 13% below the 5-year average
- Russian exports to increase 9% from last year to 37.5 MMT, 14% more than the 5-year average
- U.S. 2020/21 exports to reach 26.5 MMT, 1% more than 2019/20 and 5% more than the 5-year average



Highlights of USDA's 2020/21 Supply and Demand Estimates

World beginning stocks jumped 6% from 2019/20 to 300 MMT, 14% more than the 5-year average

- Indian beginning stocks reached 24.0 MMT, the highest since the 2013/14 record
- Chinese beginning stocks jumped 8% on the year to a record 152 MMT
- U.S. 2020/21 beginning stocks dropped 3% year-over-year to 28.4 MMT

Global ending stocks projected at a record 319 MMT, 6% more than last year and 15% more than the 5-year average

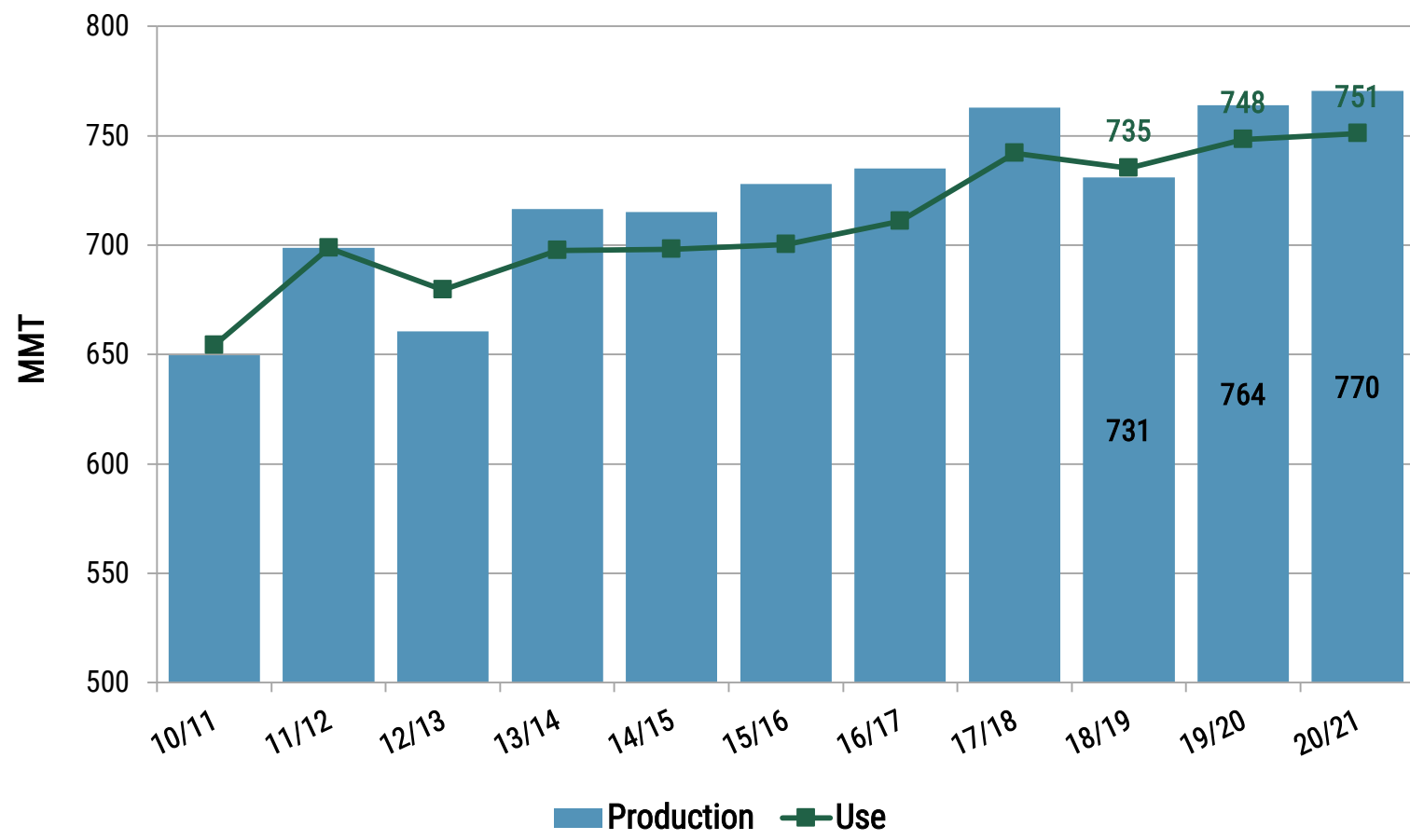
- Expected Chinese ending stocks to reach a record 164 MMT, 8% more than last year
- U.S. ending stocks are expected to drop 11% from last year to 25.2 MMT, the lowest in 6 years

U.S. wheat farm gate price to decrease slightly from last year

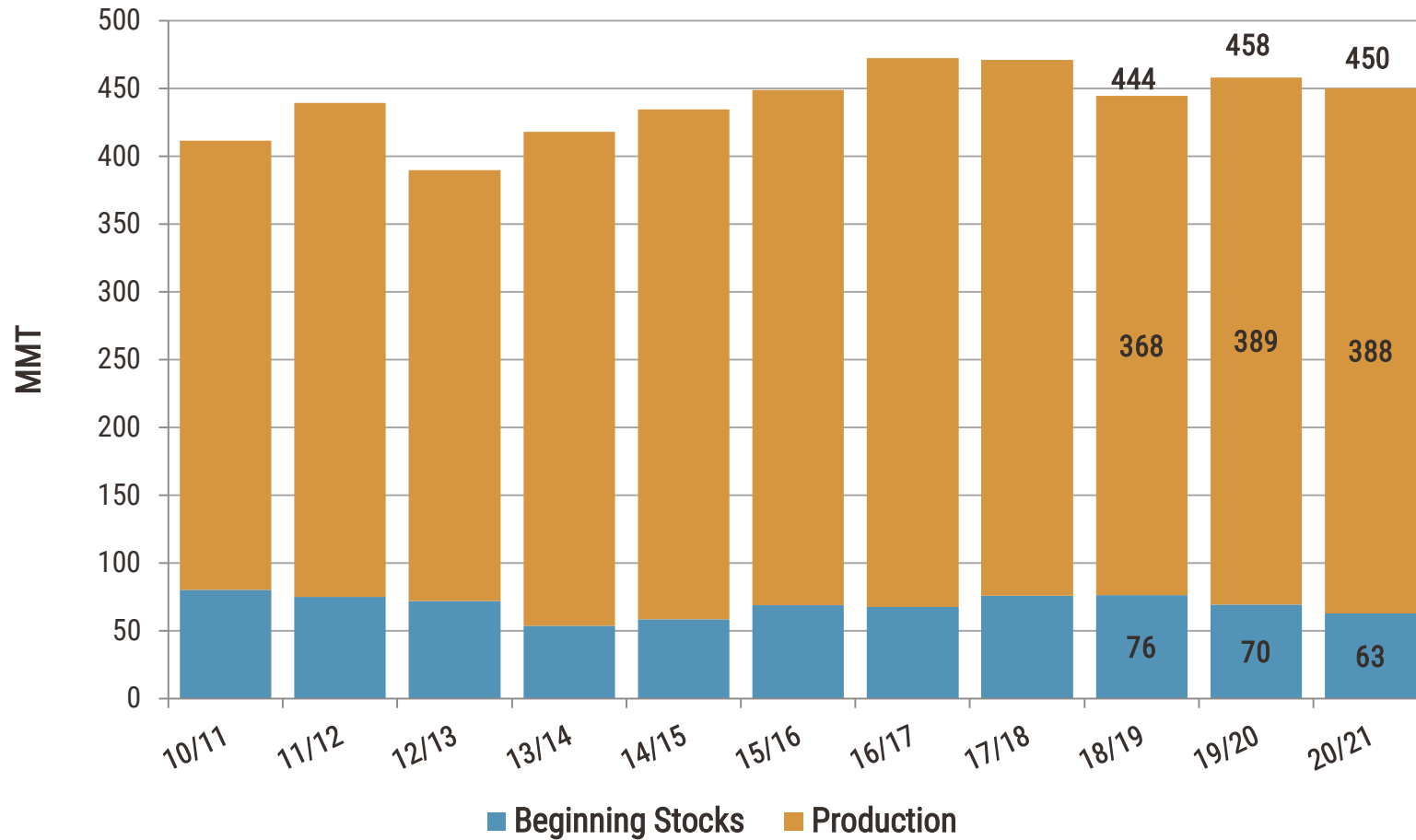
- The average farm gate price of U.S. wheat in 2020/21 is forecast fall to \$4.50/bu (\$165/MT), 2% below last year's \$4.58/bu (\$168/MT)



World Production and Use



Supplies in Top Exporting Countries*



*Includes U.S., Canada, Australia, Argentina, EU, Russia, Ukraine and Kazakhstan

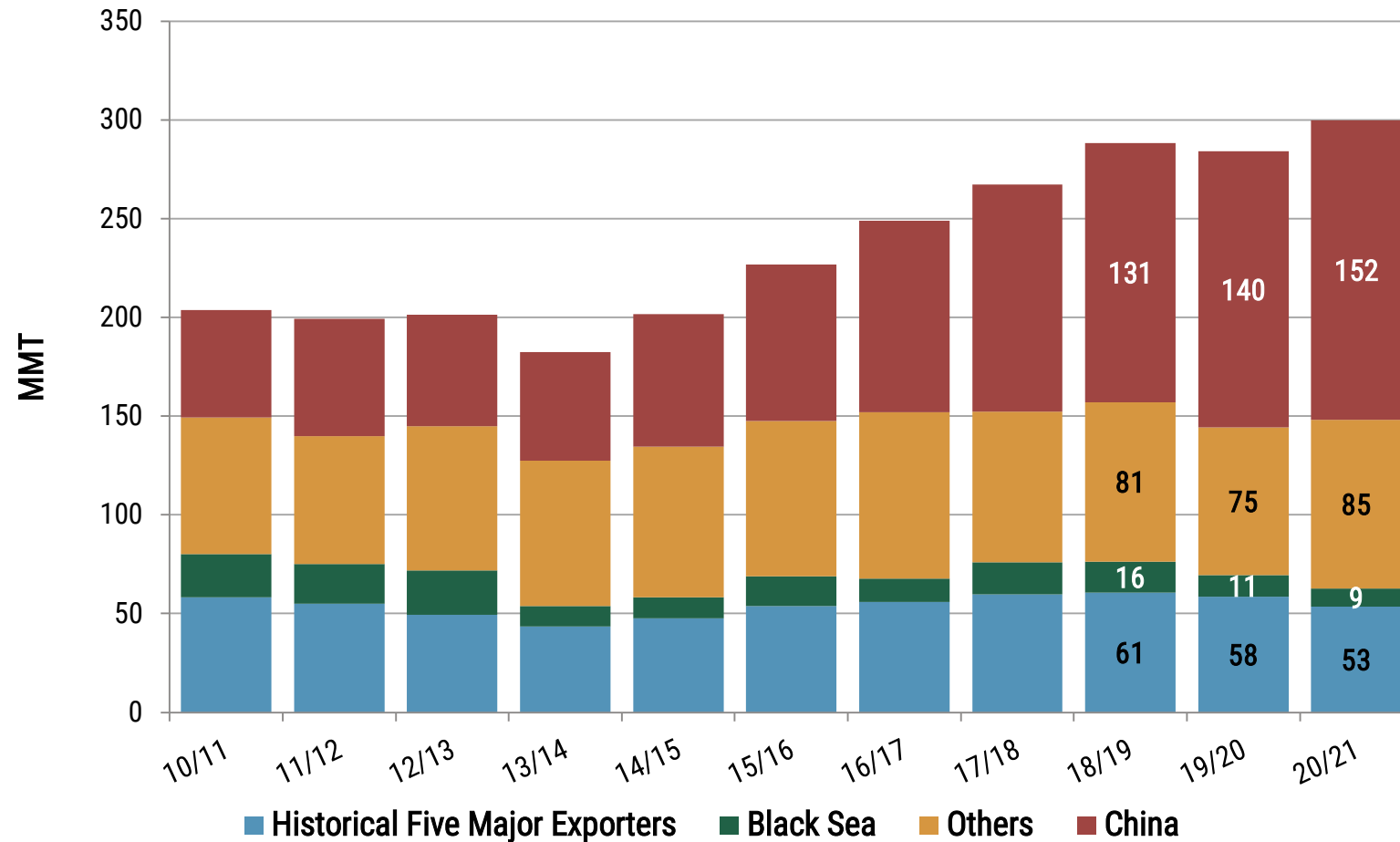


World Wheat Supply and Demand (MMT)

	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>
SUPPLY:			
Beginning Stocks	288	284	300
Production	731	764	770
Supply Total	1019	1048	1070
Ending Stocks	284	300	319
TRADE:			
Exports/Imports	174	191	189
DEMAND:			
Food & Seed	596	610	616
Feed & Residual	140	138	135
Use Total	735	748	751



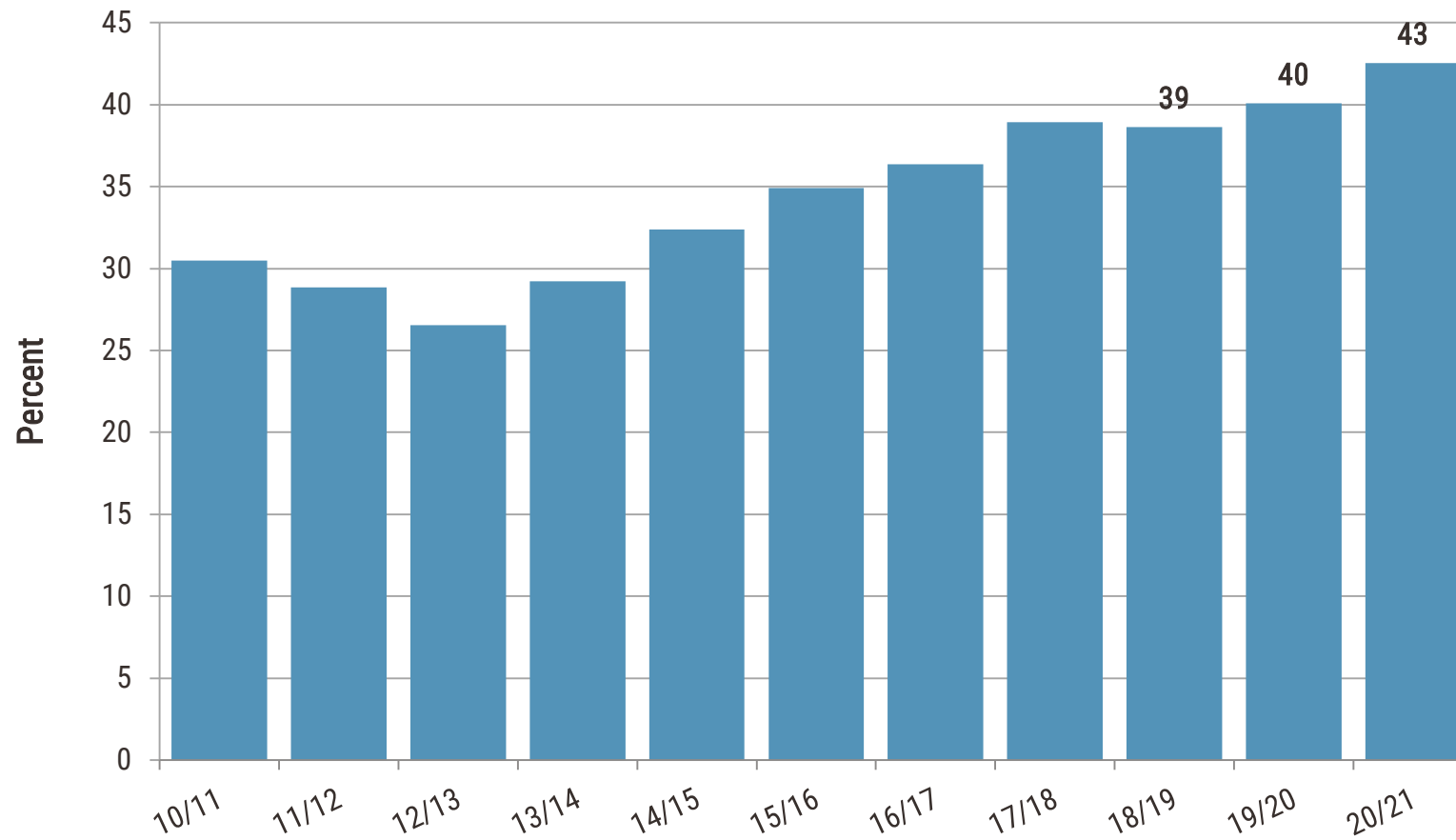
World Beginning Stocks



Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU. Black Sea includes Russia, Ukraine and Kazakhstan.



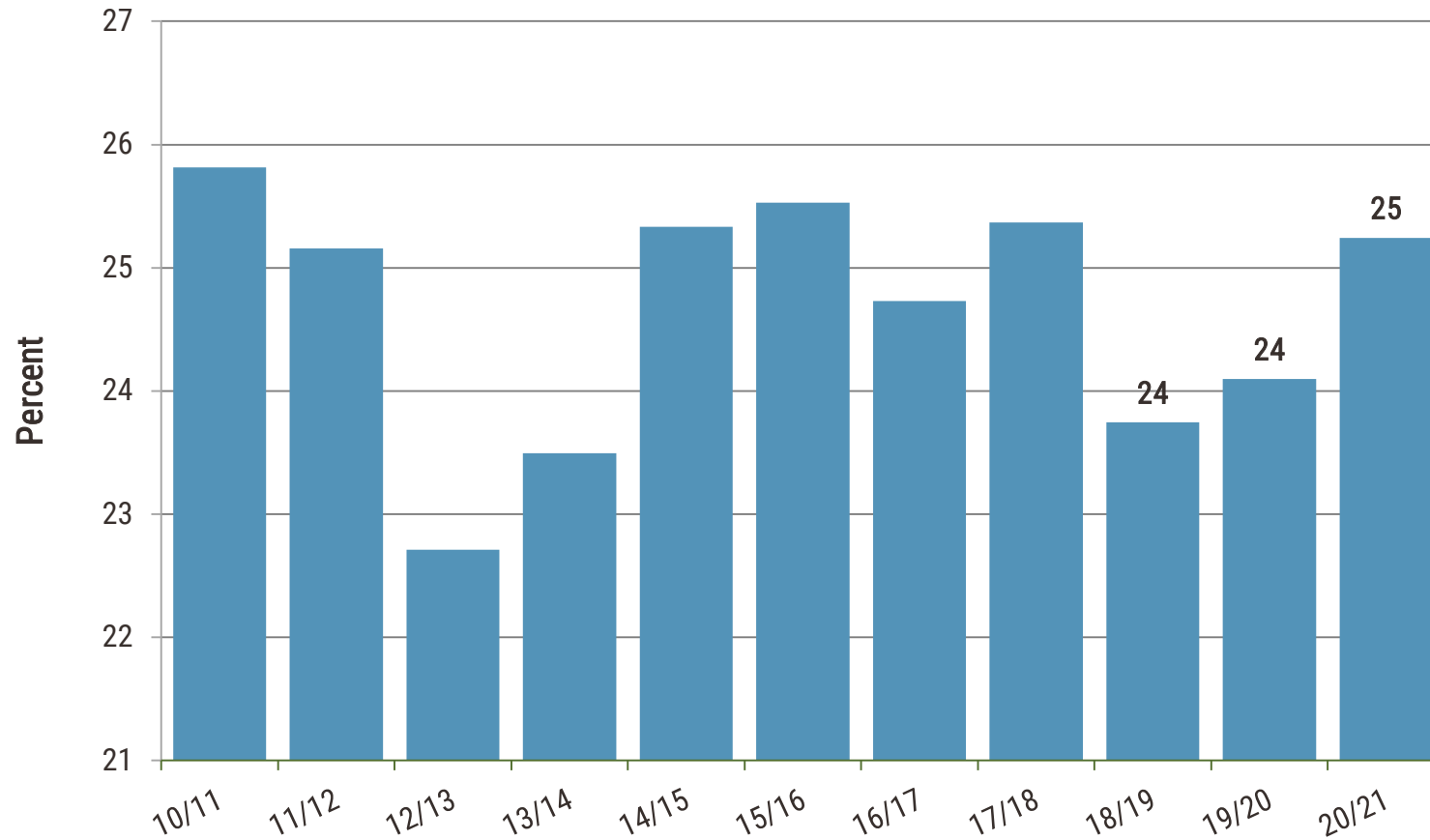
Global Stocks*-to-Use Ratio



*Ending stocks



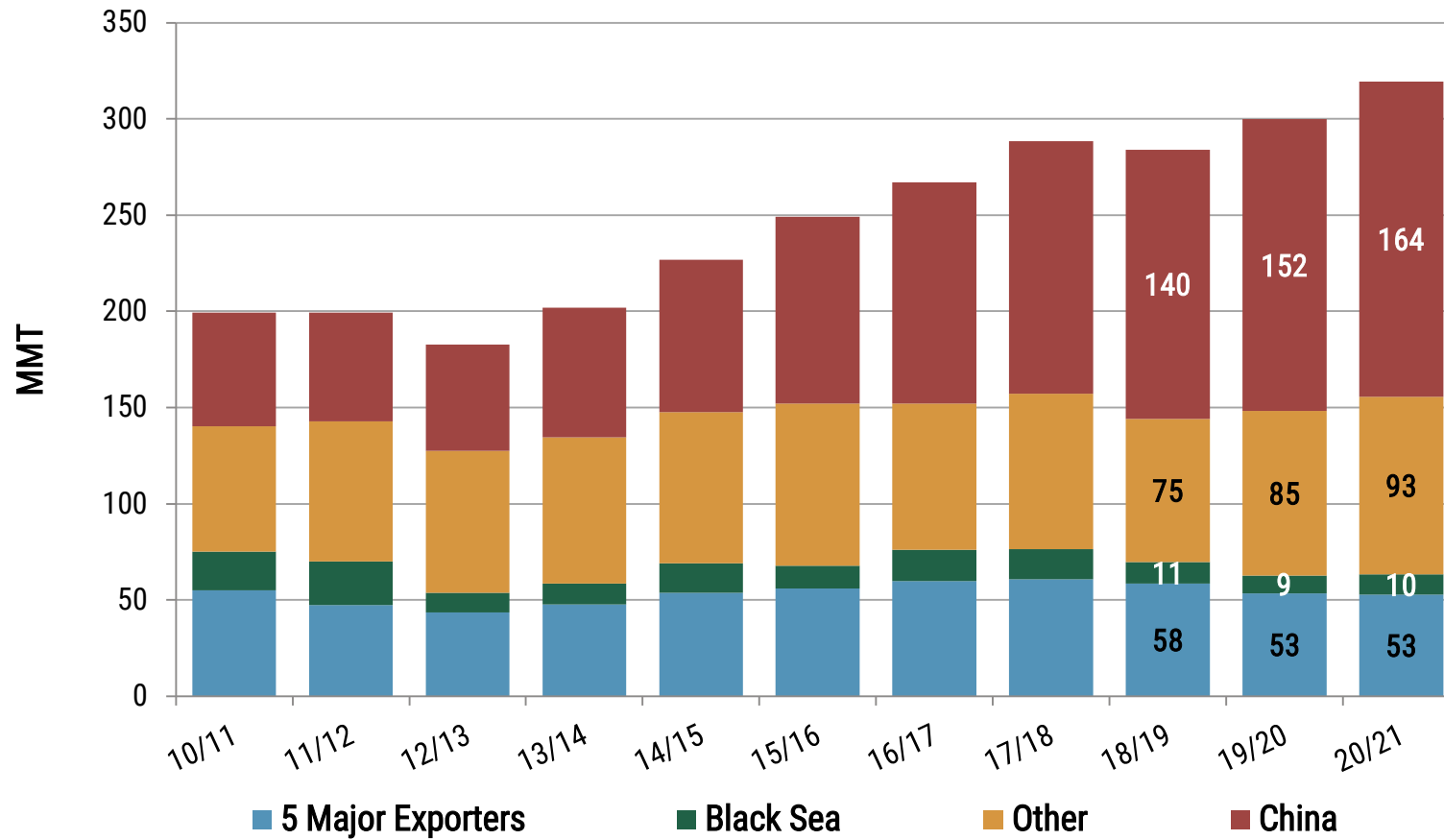
Global Stocks-to-Use Ratio w/o China*



**Ending stocks*



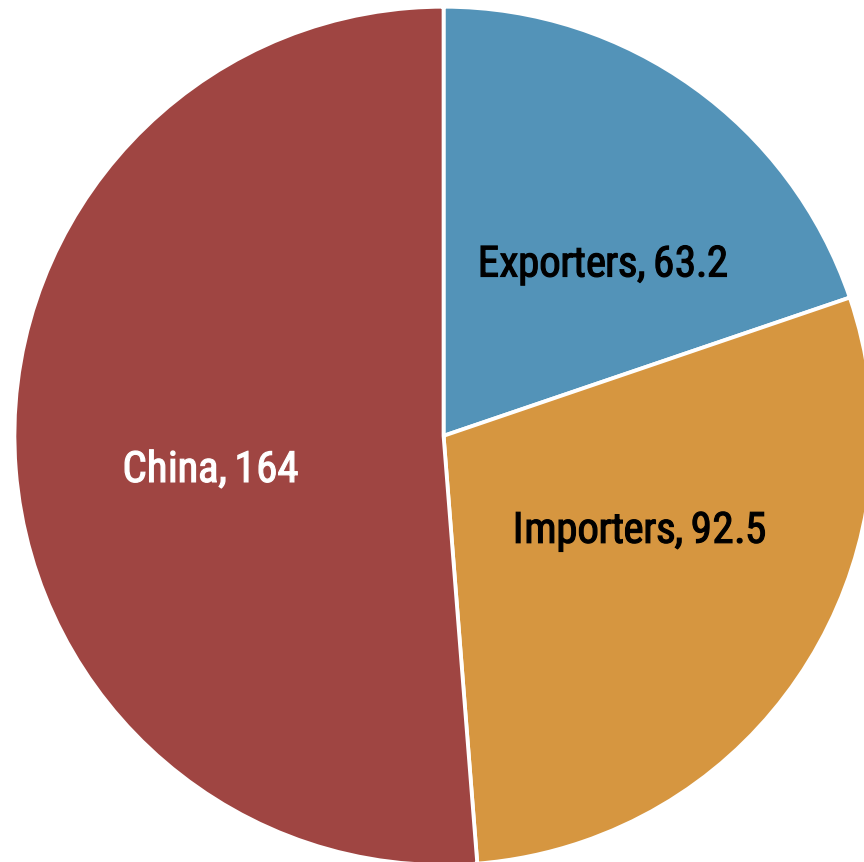
World Ending Stocks



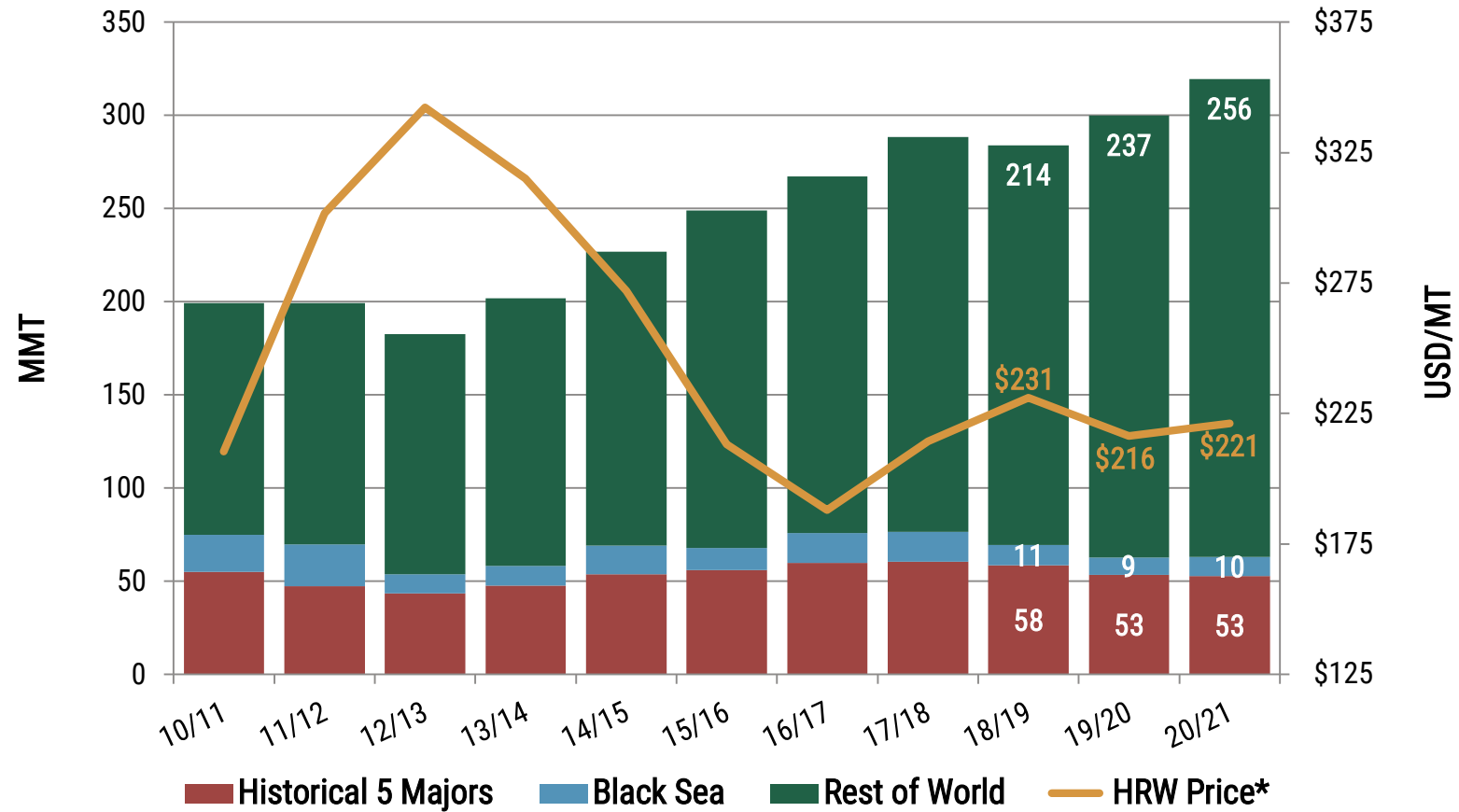
Historical Five Major Exporters include U.S., Canada, Australia, Argentina and EU. Black Sea includes Russia, Ukraine and Kazakhstan.



World Ending Stocks by Position (MMT)



Global Ending Stocks and Price



*Source: U.S. Wheat Associates Price Report, September 11, 2020

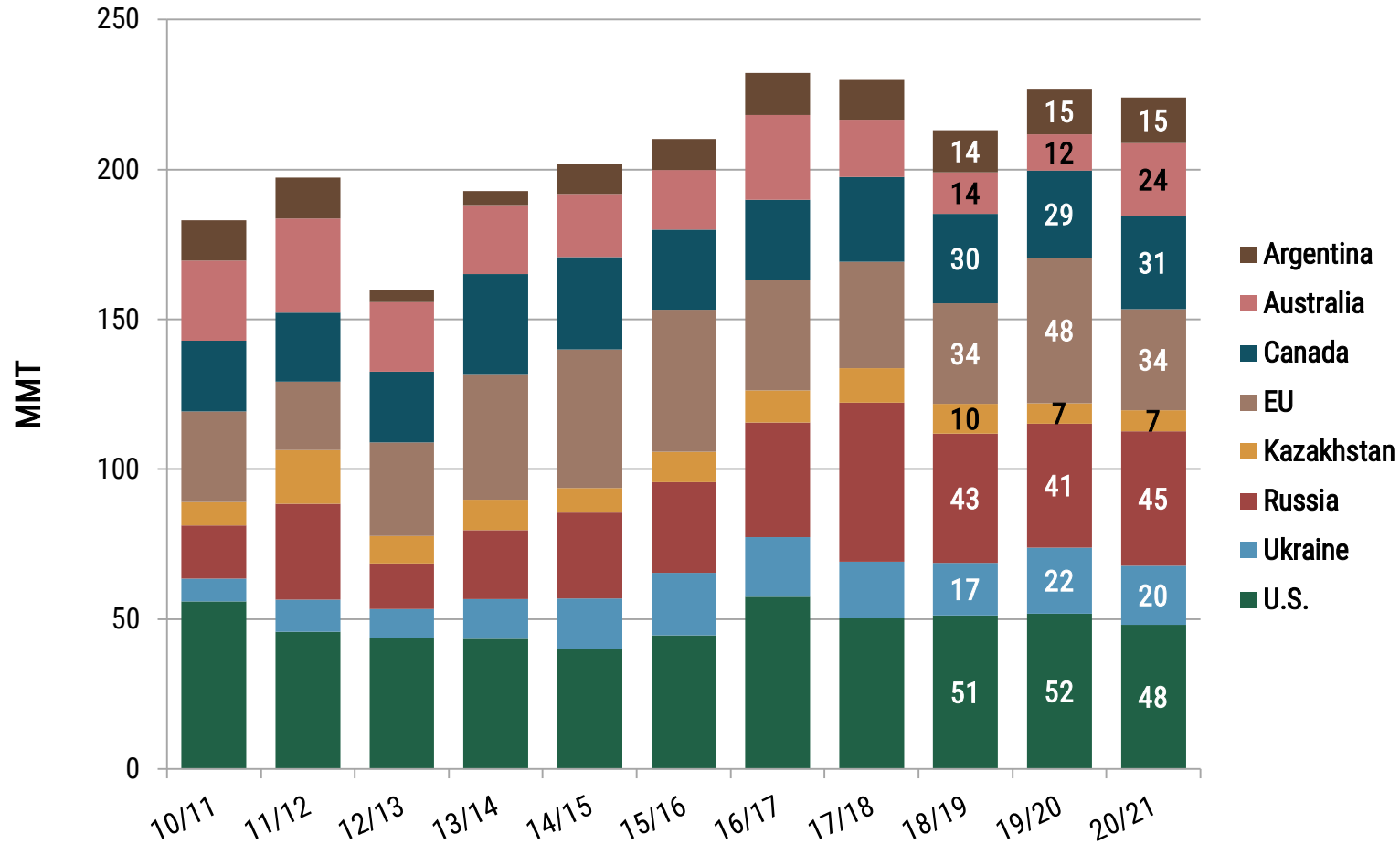




01

Major Exporters

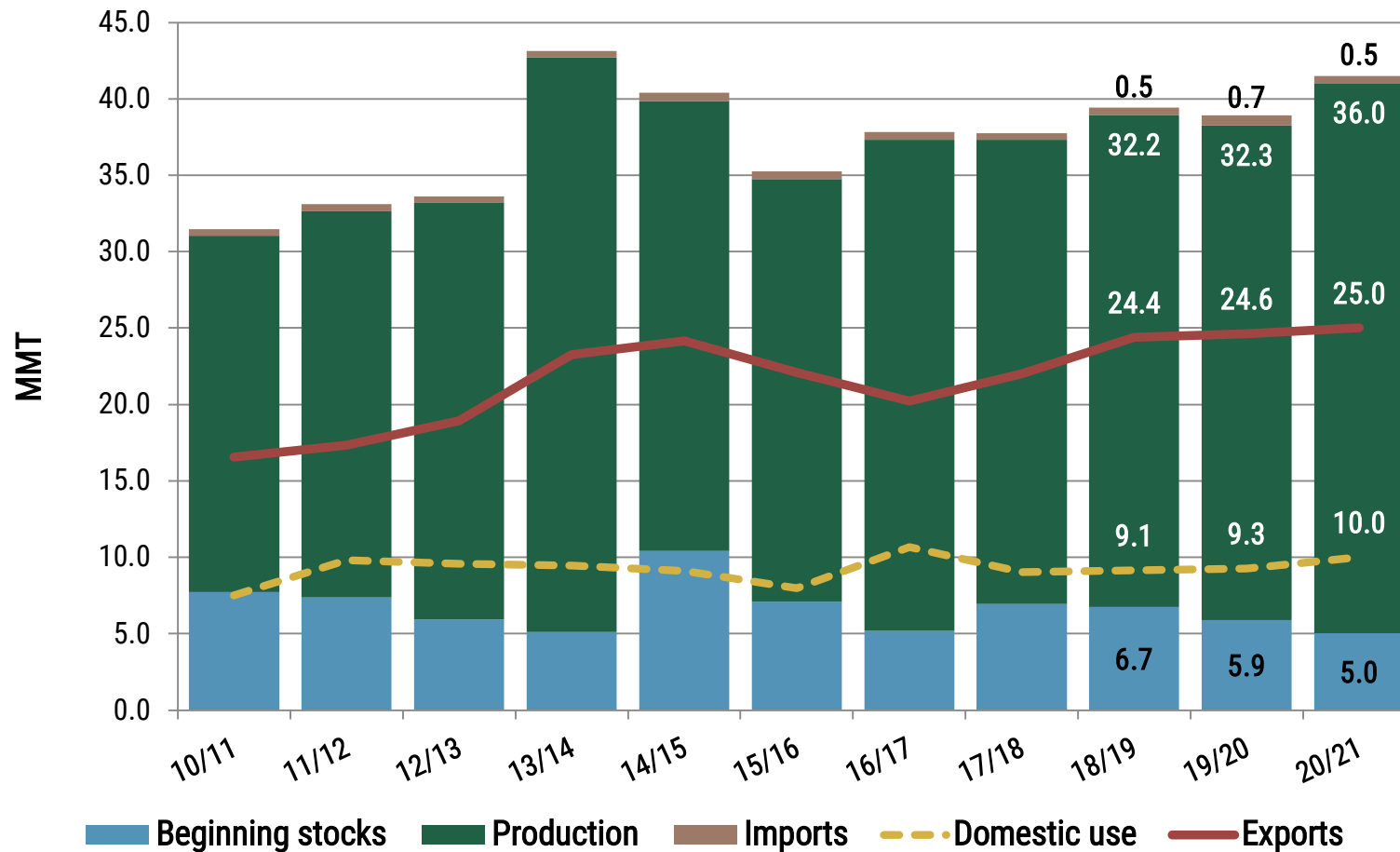
Exportable Supplies in Top Exporting Countries



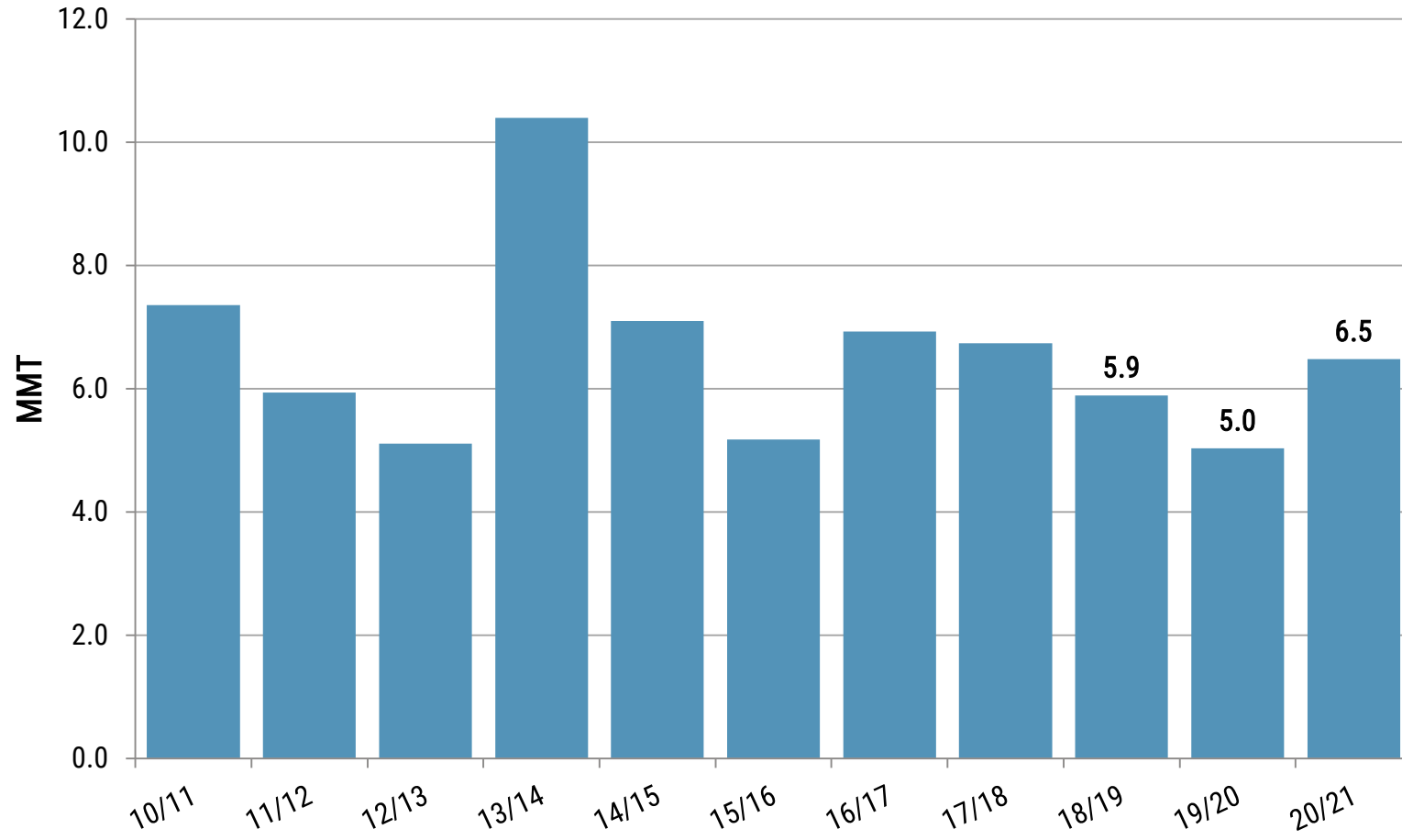
*Exportable Supplies = (Beginning Stocks + Production) – Domestic Consumption



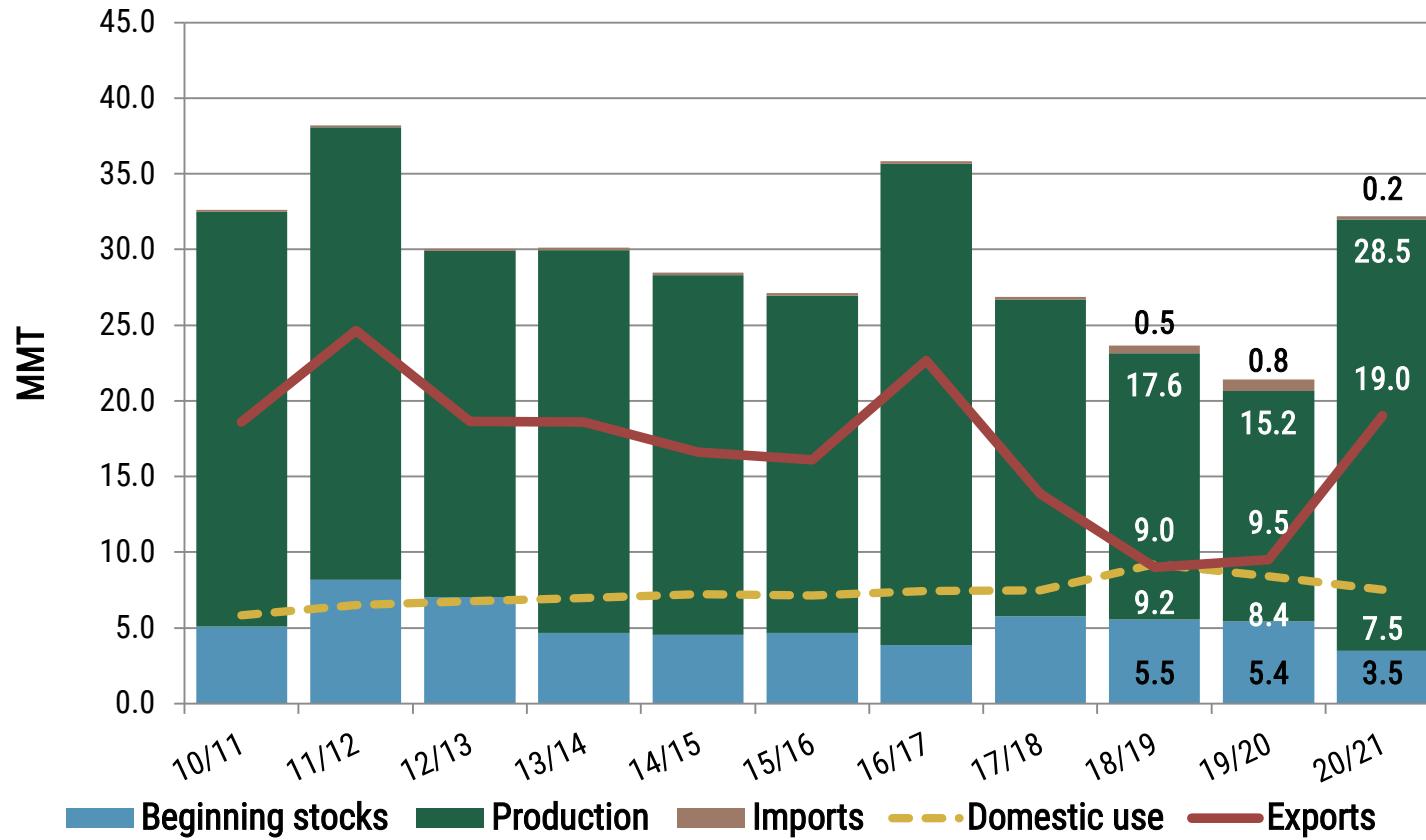
Canada Situation



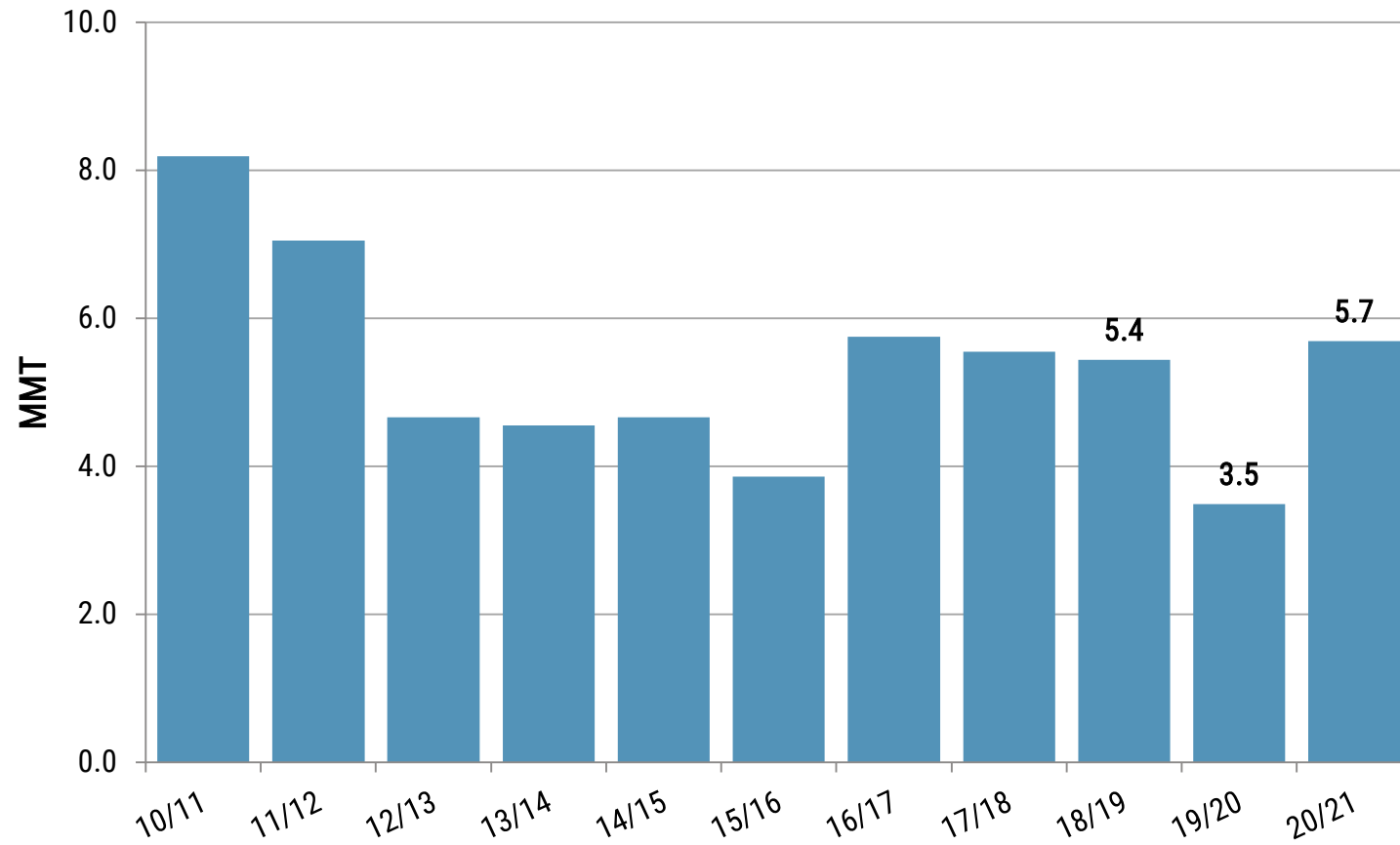
Canada Ending Stocks



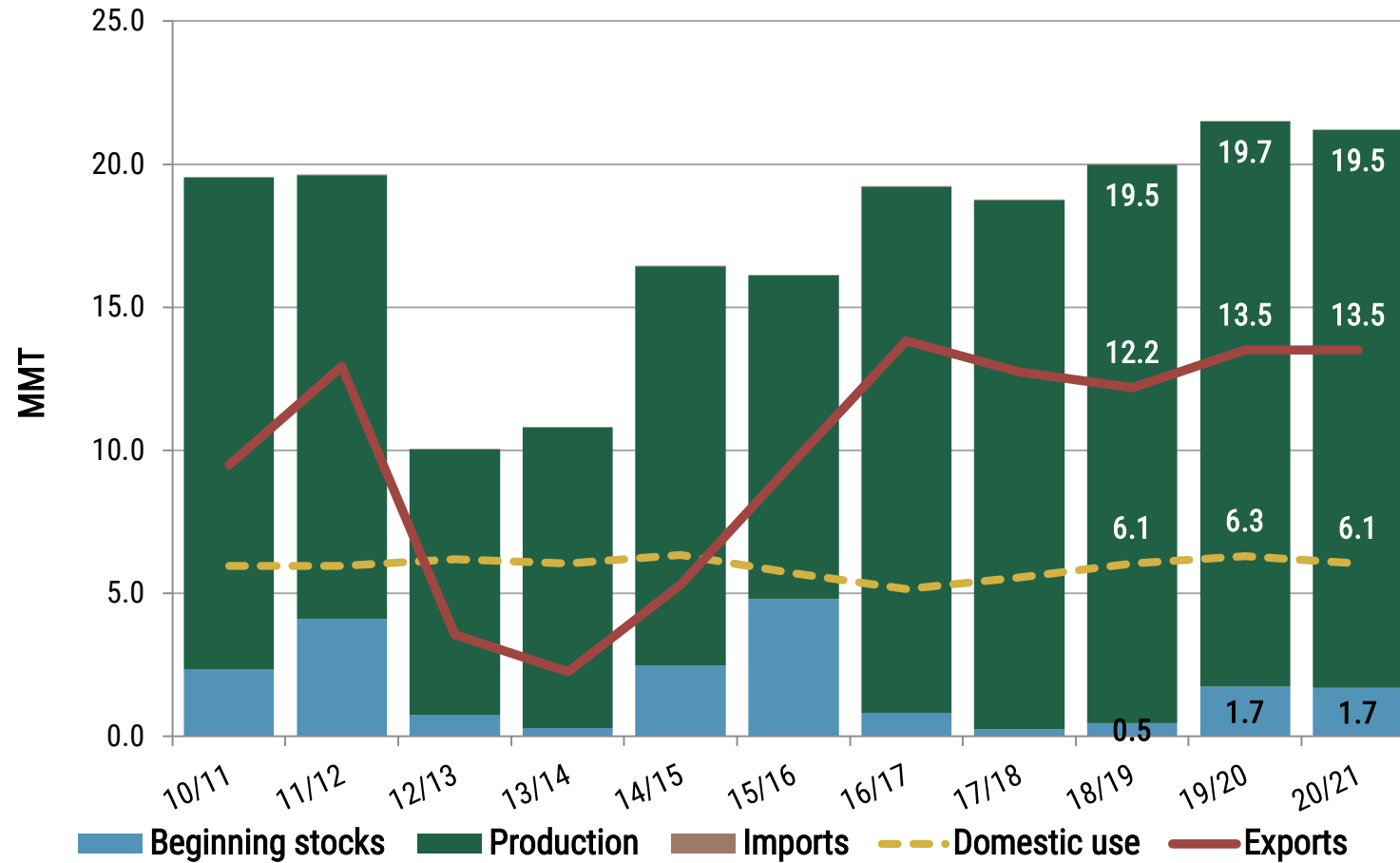
Australia Situation



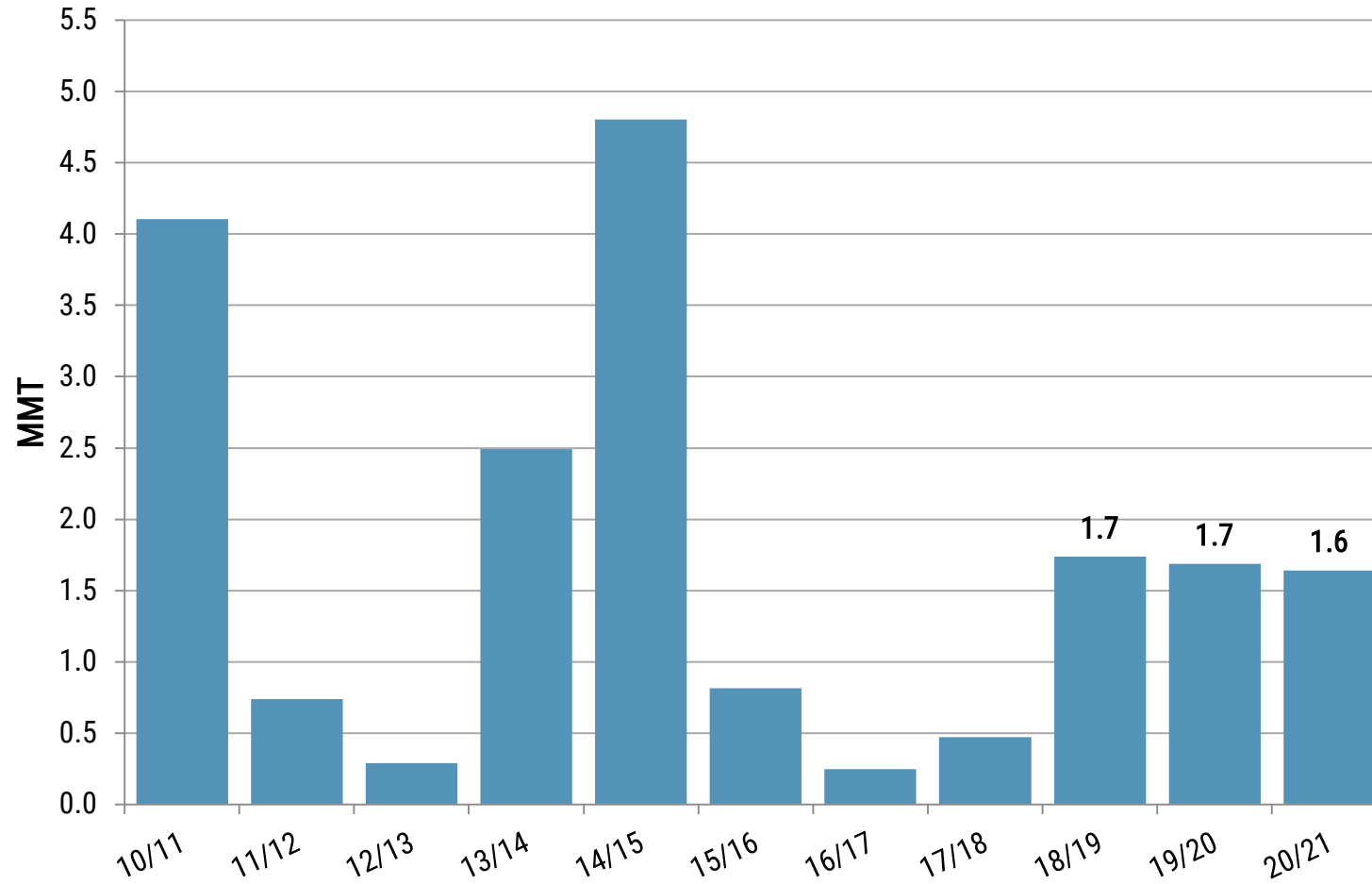
Australia Ending Stocks



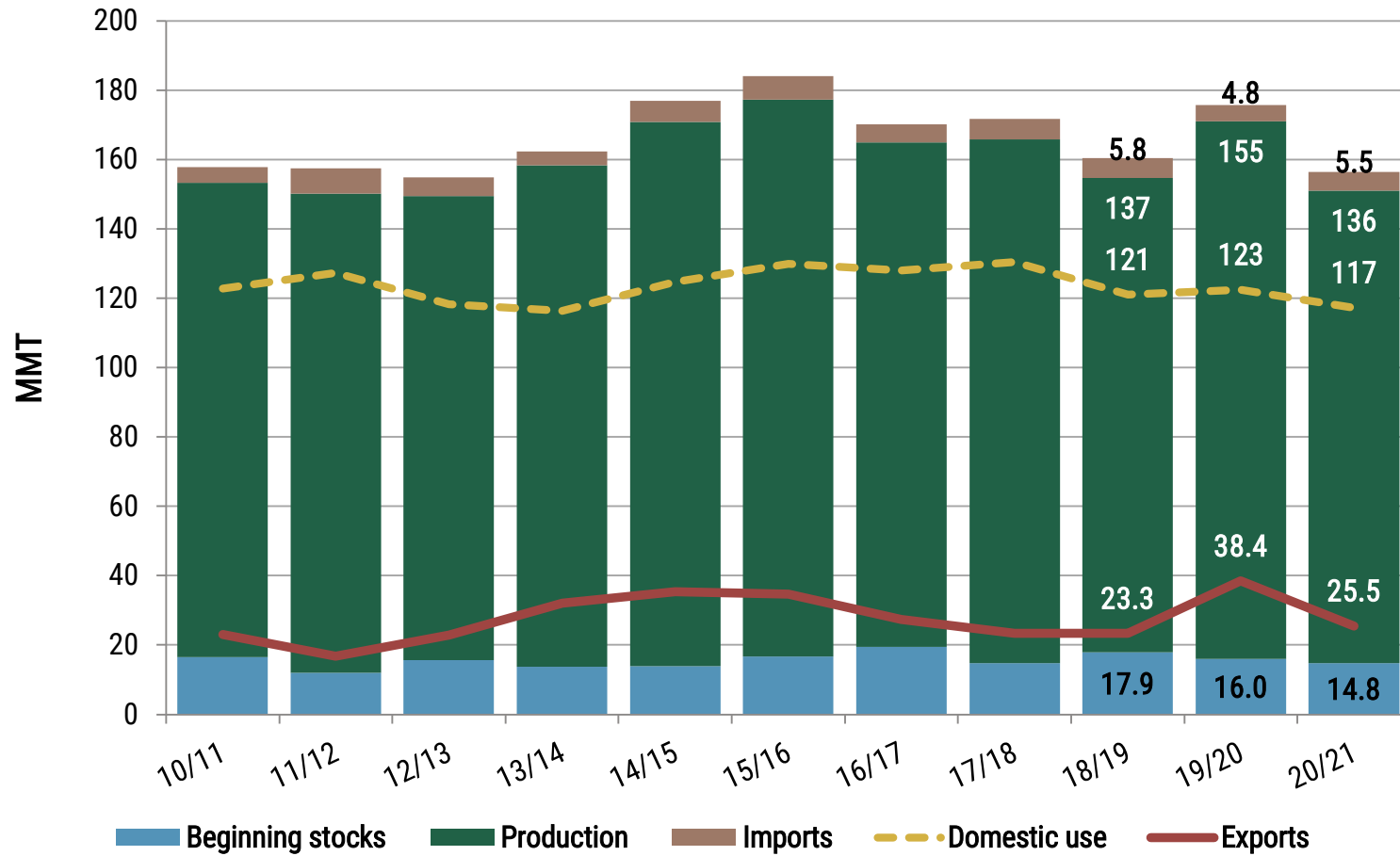
Argentina Situation



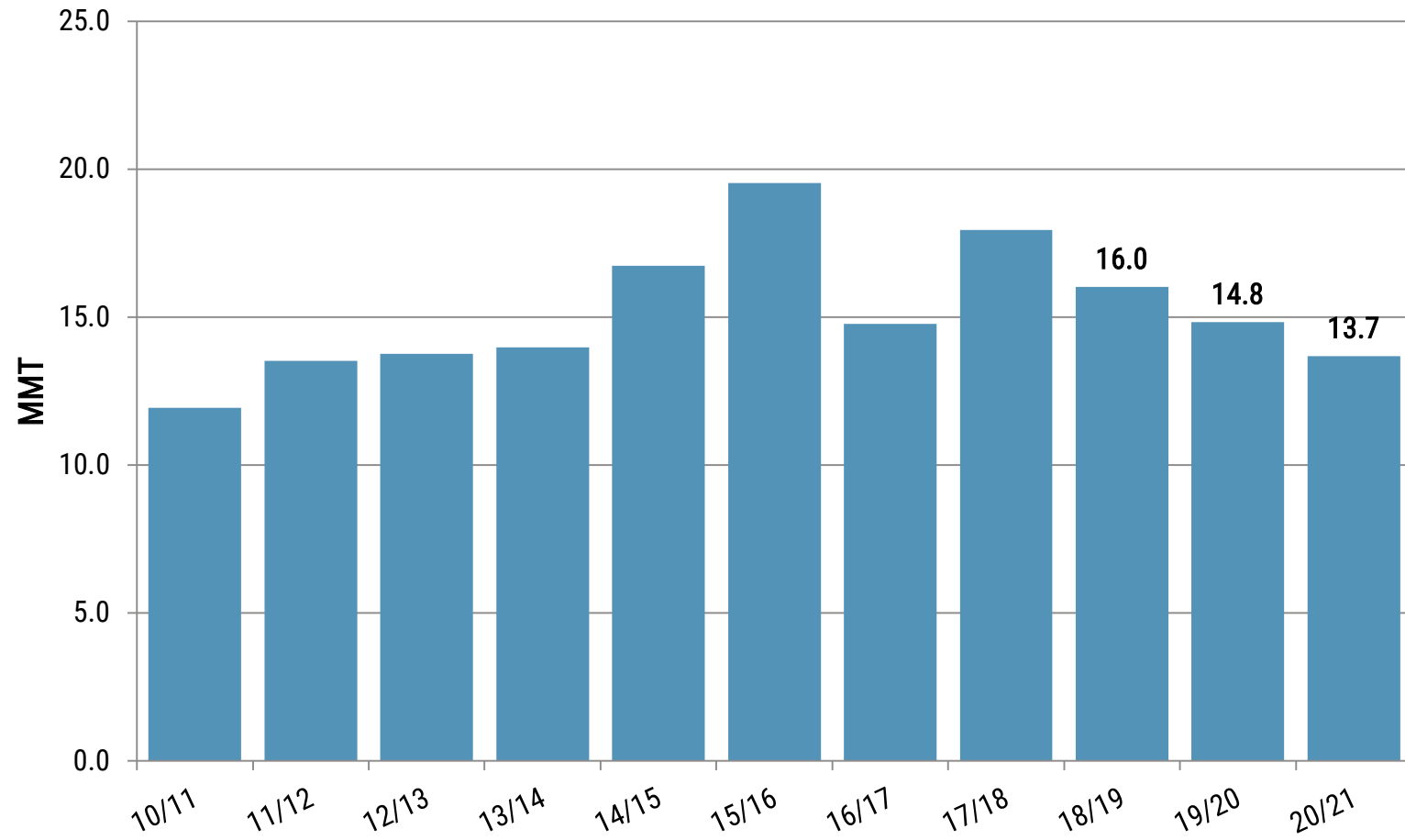
Argentina Ending Stocks



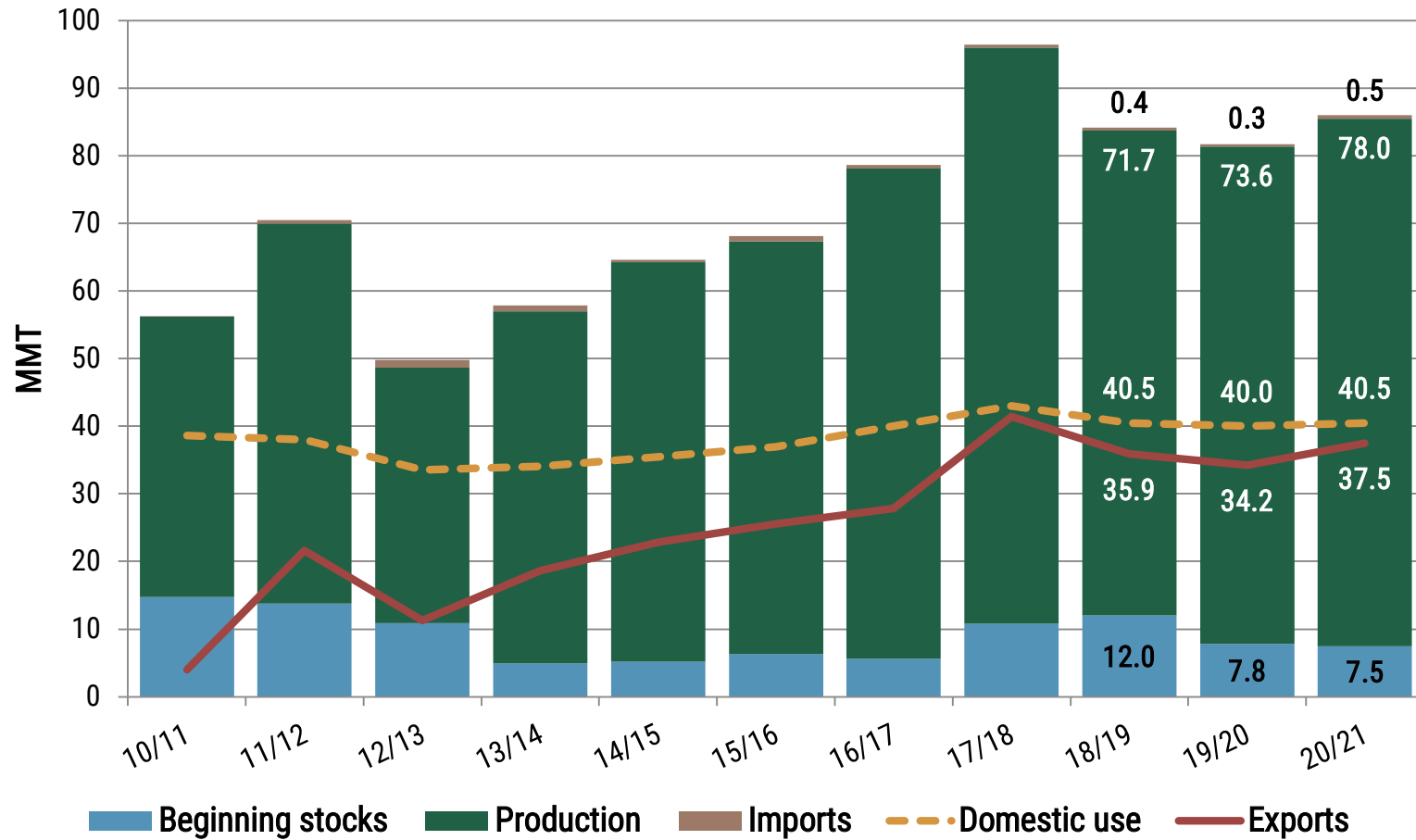
EU Situation



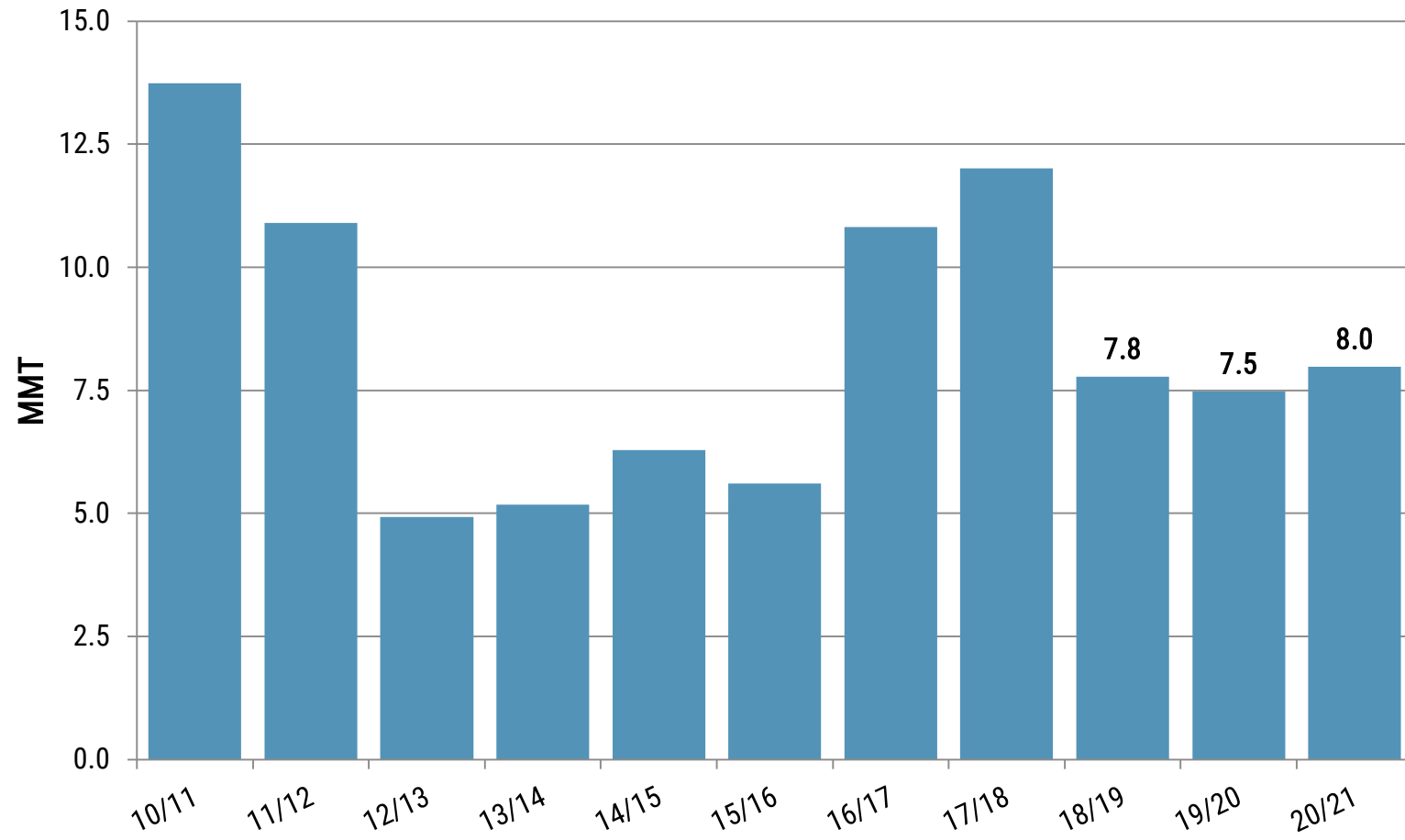
EU Ending Stocks



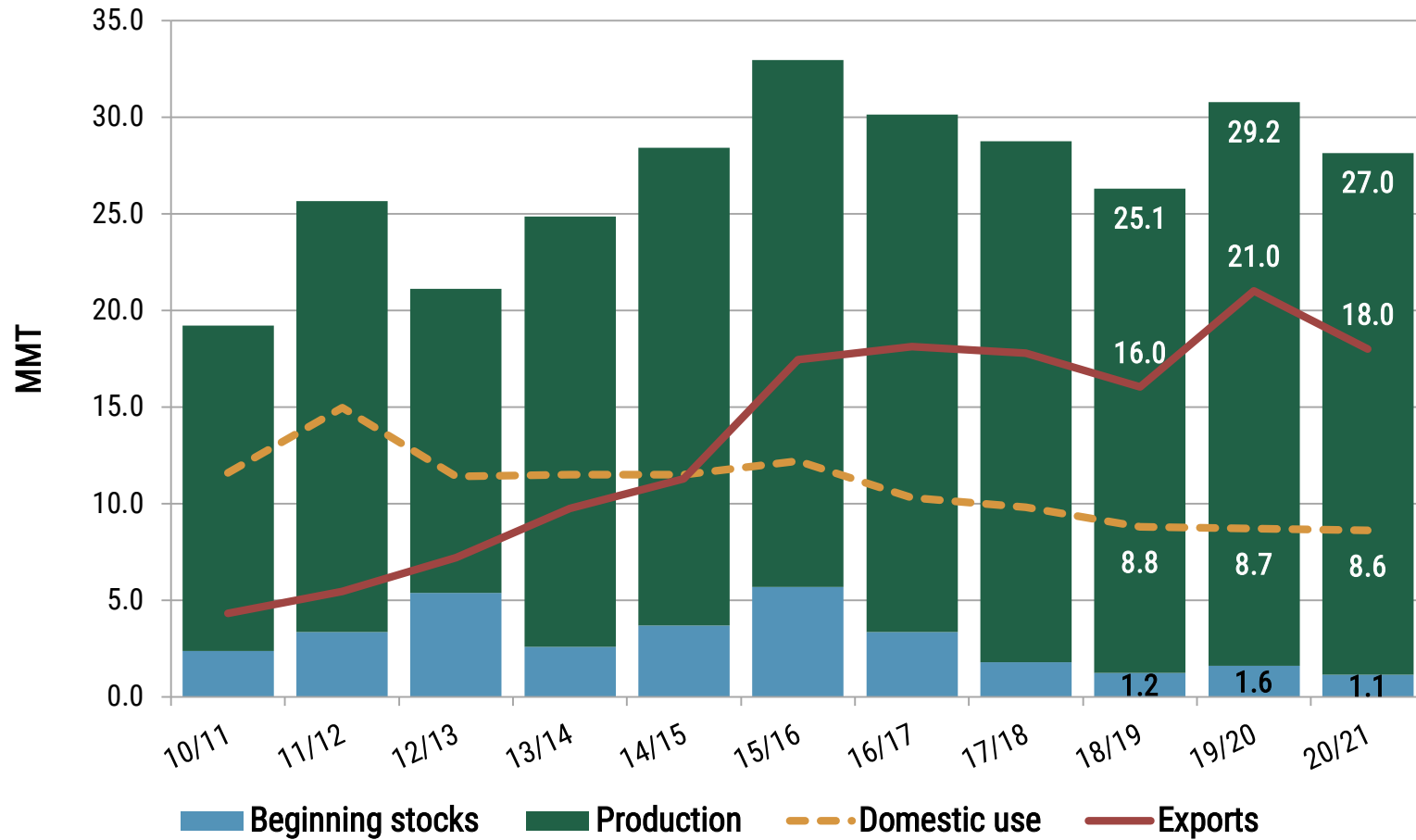
Russia Situation



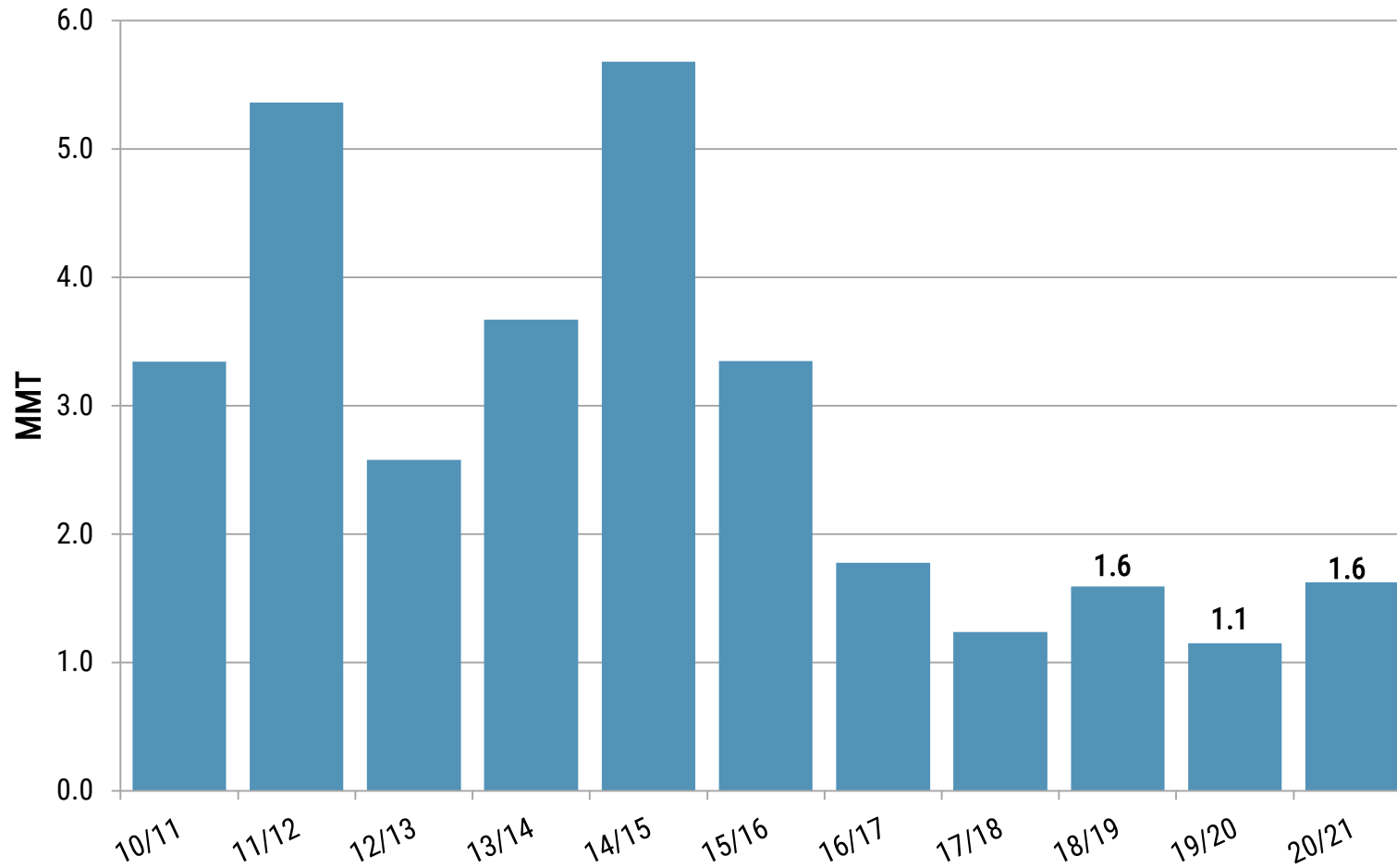
Russia Ending Stocks



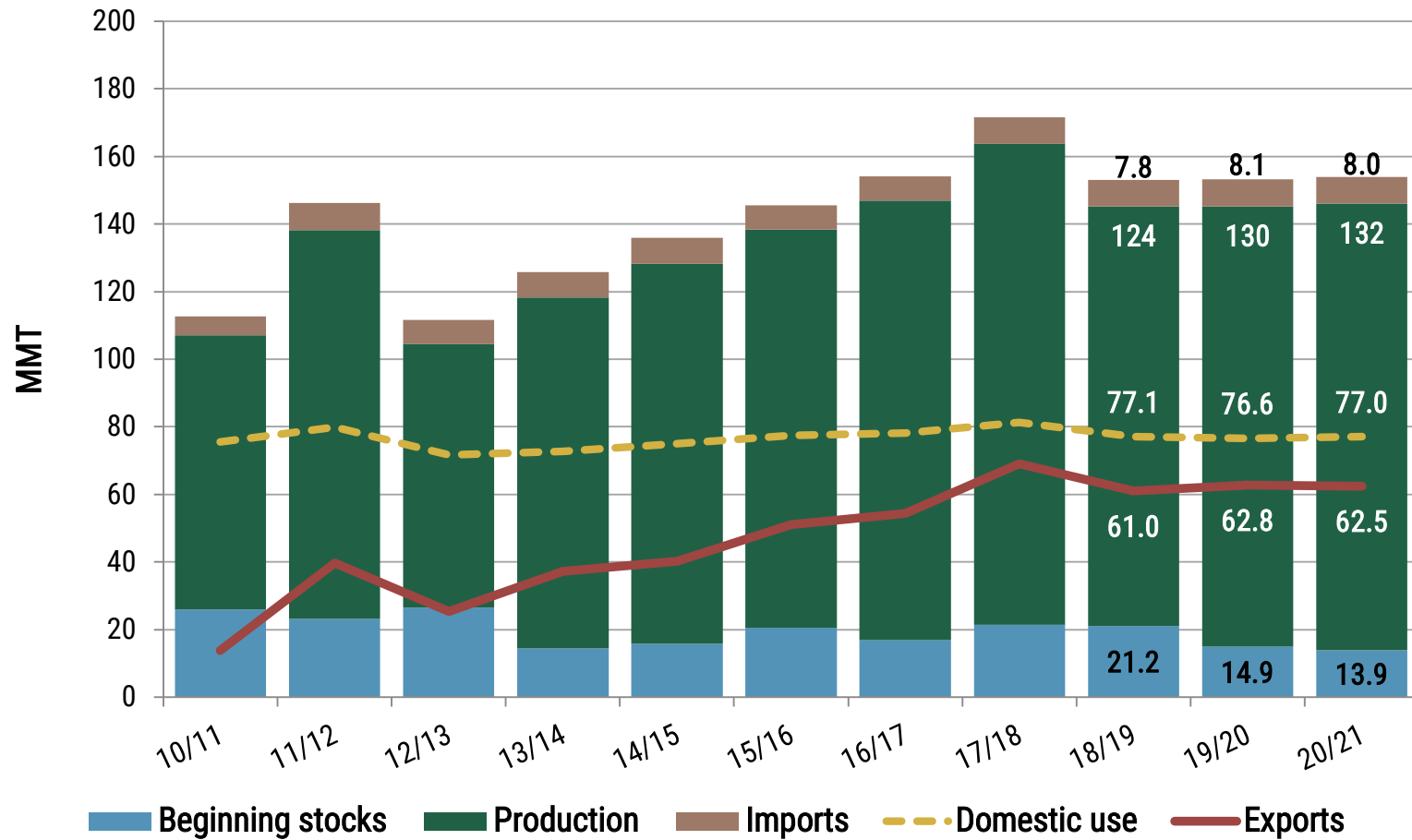
Ukraine Situation



Ukraine Ending Stocks

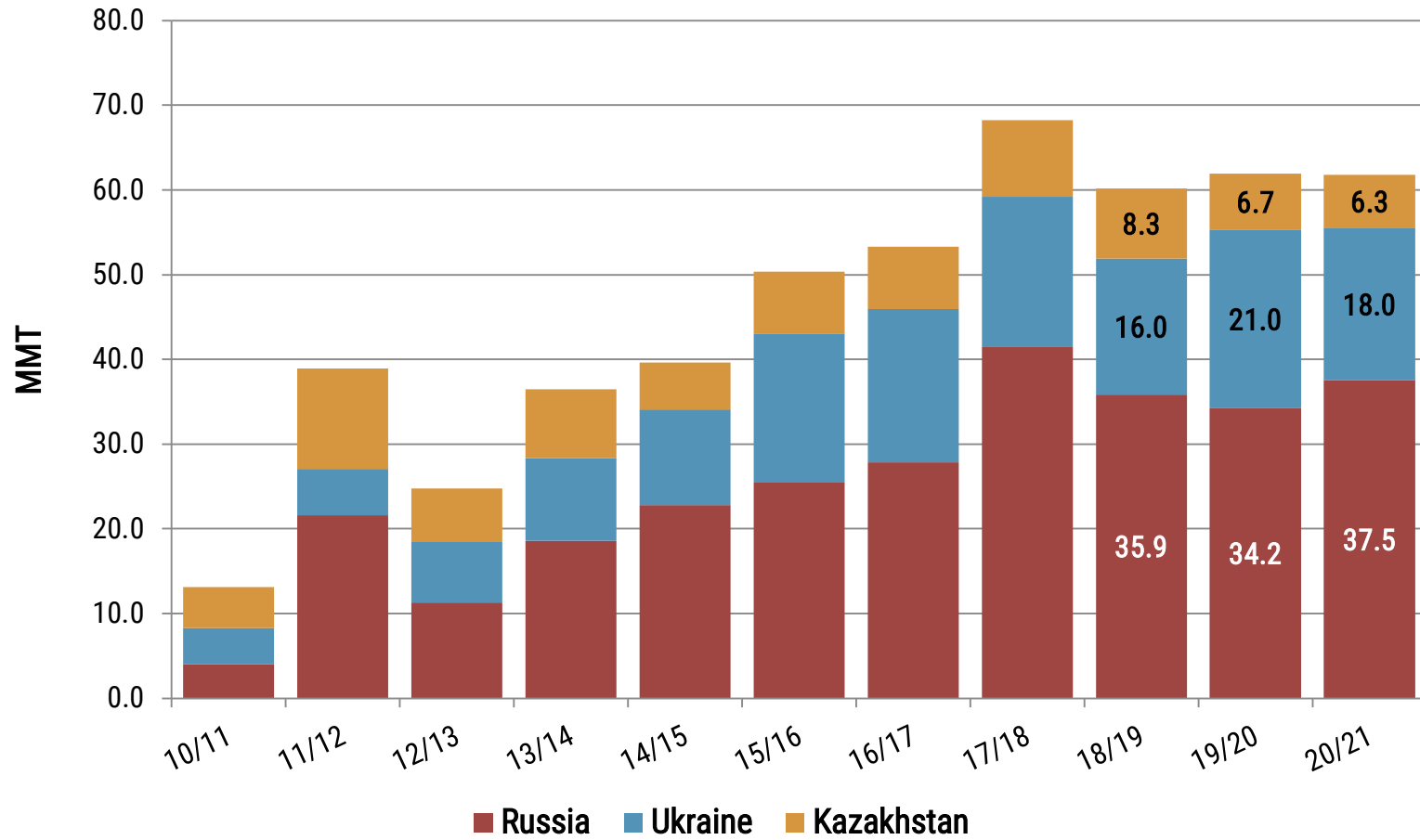


Black Sea Region Situation

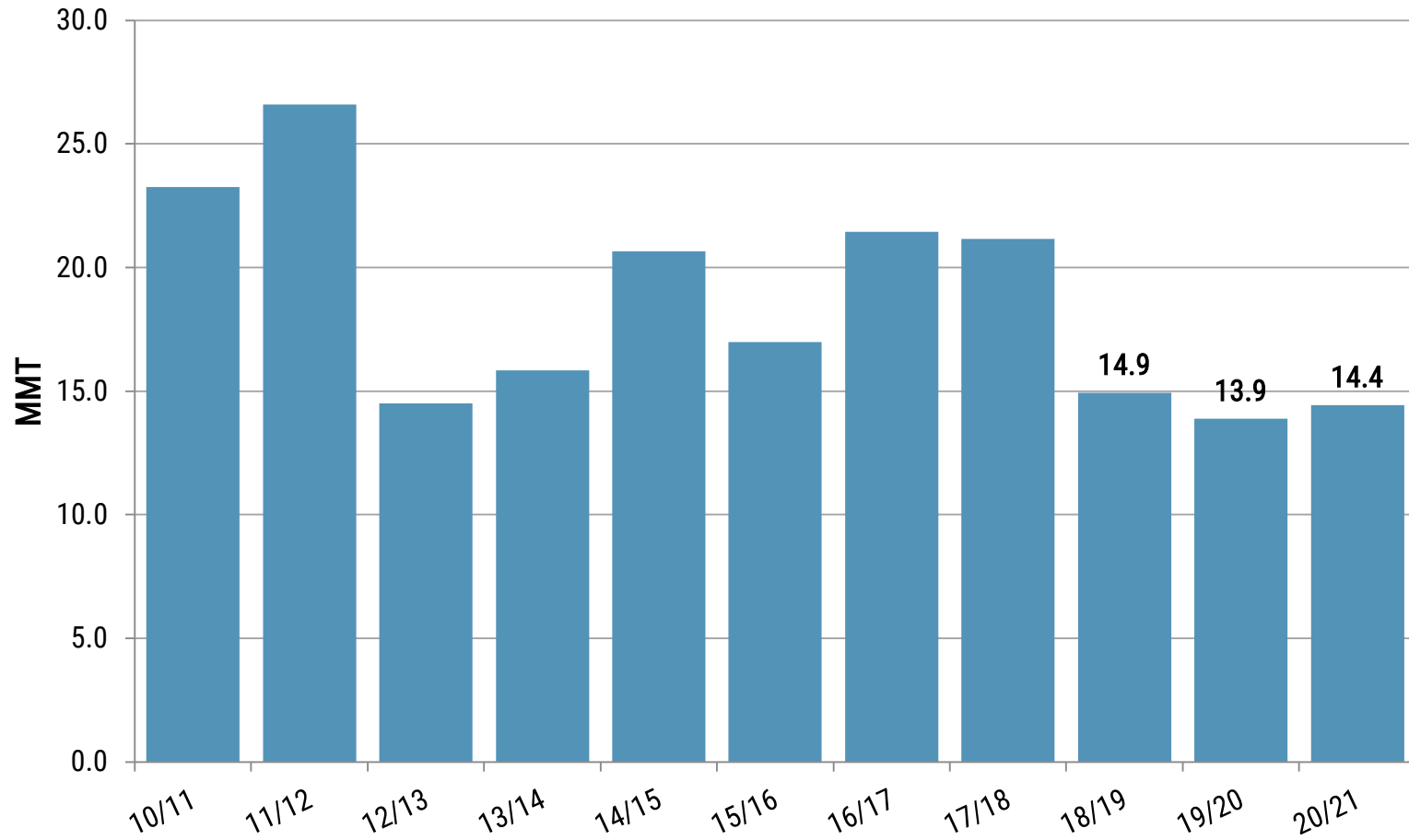


Russia, Ukraine and Kazakhstan are the most important wheat producers in the Black Sea Region.

Black Sea Exports



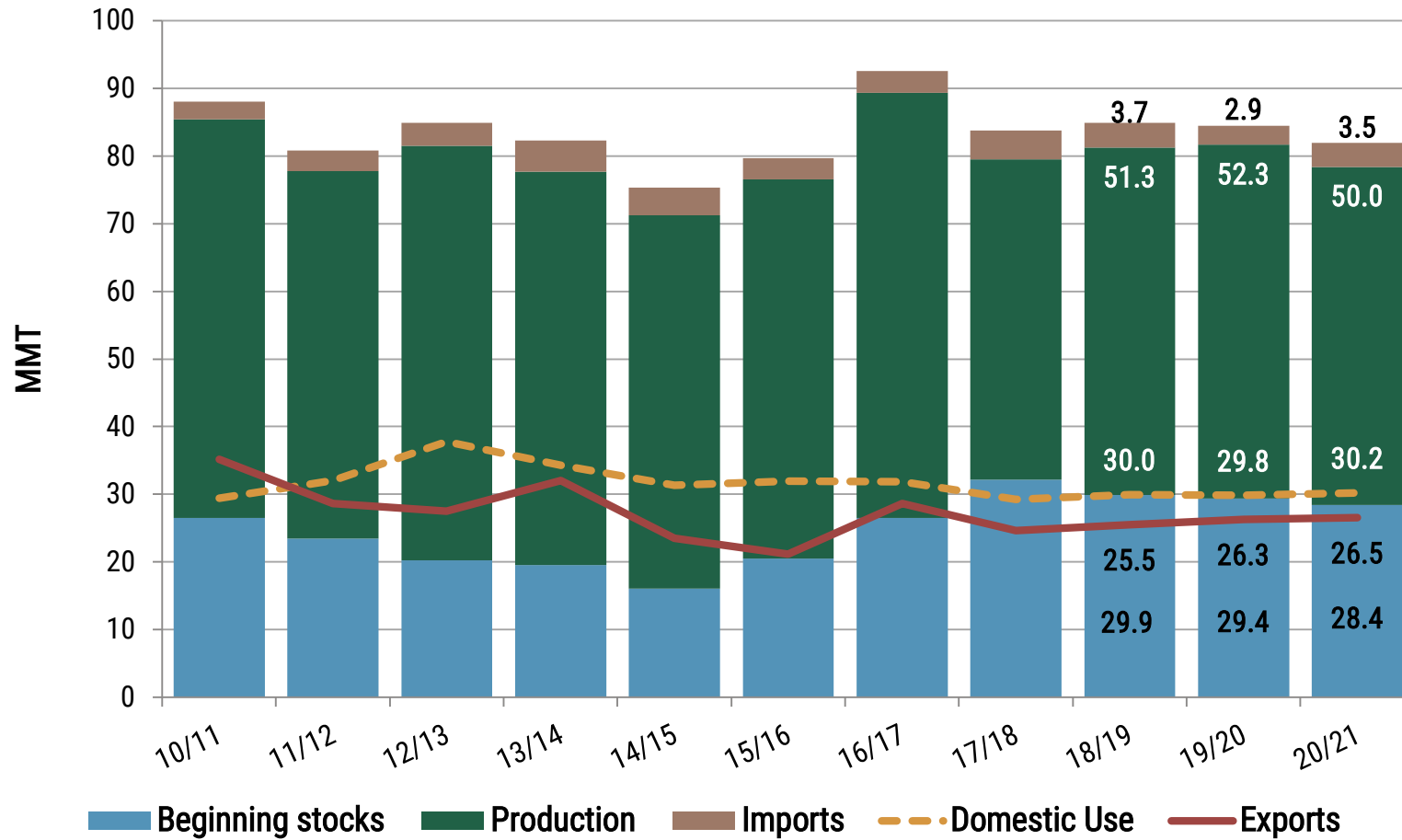
Black Sea Ending Stocks



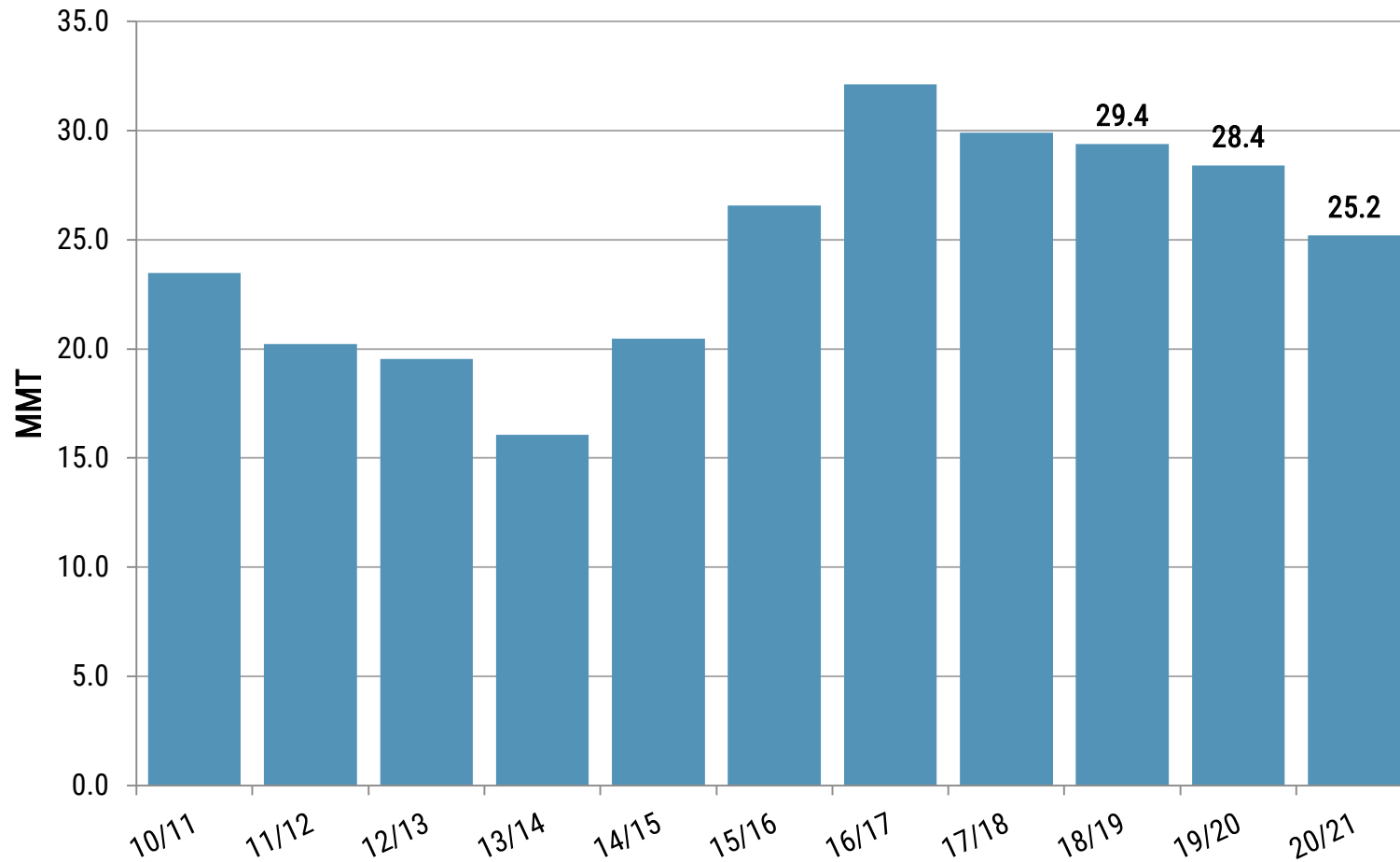
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U.S. Situation



U.S. Ending Stocks

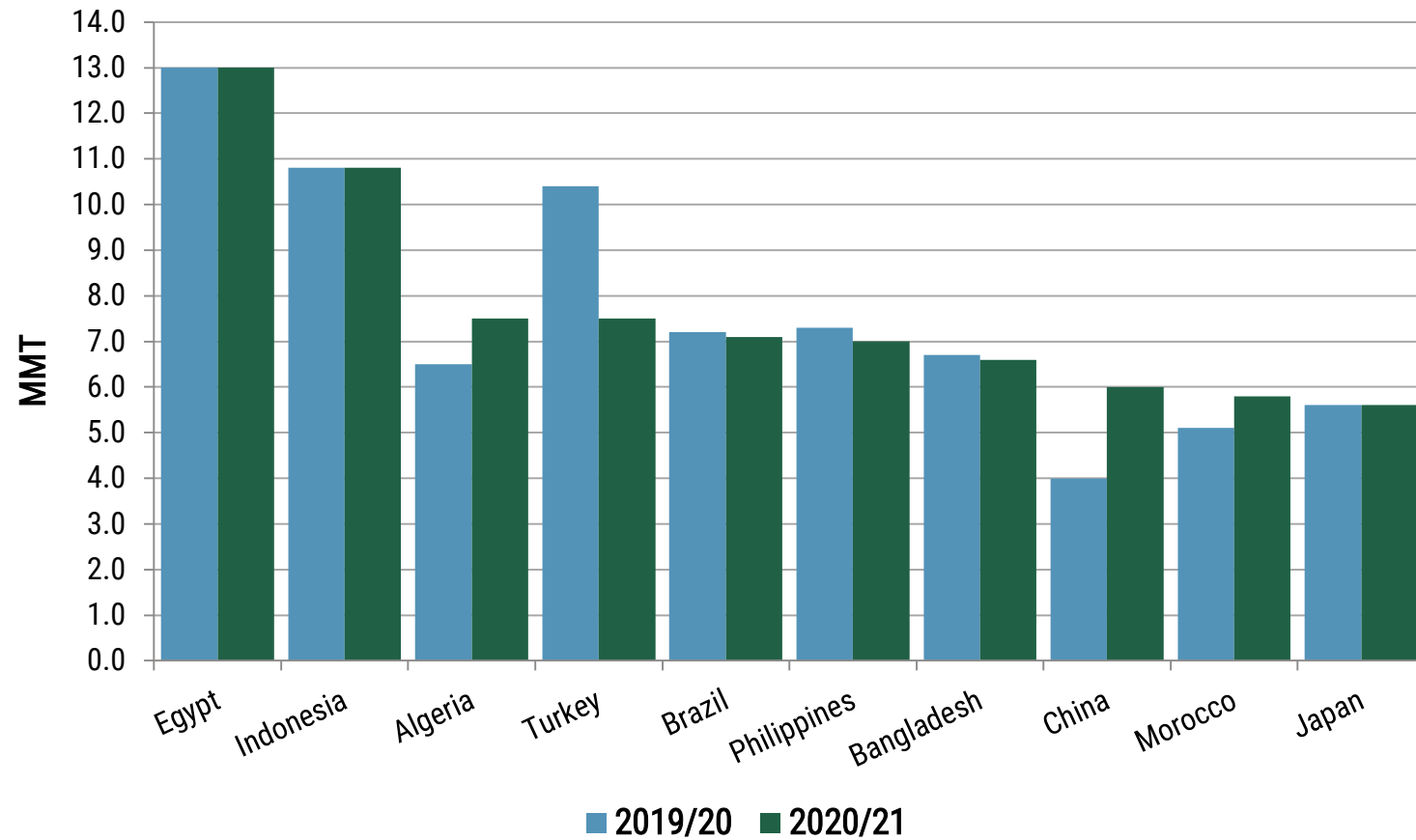




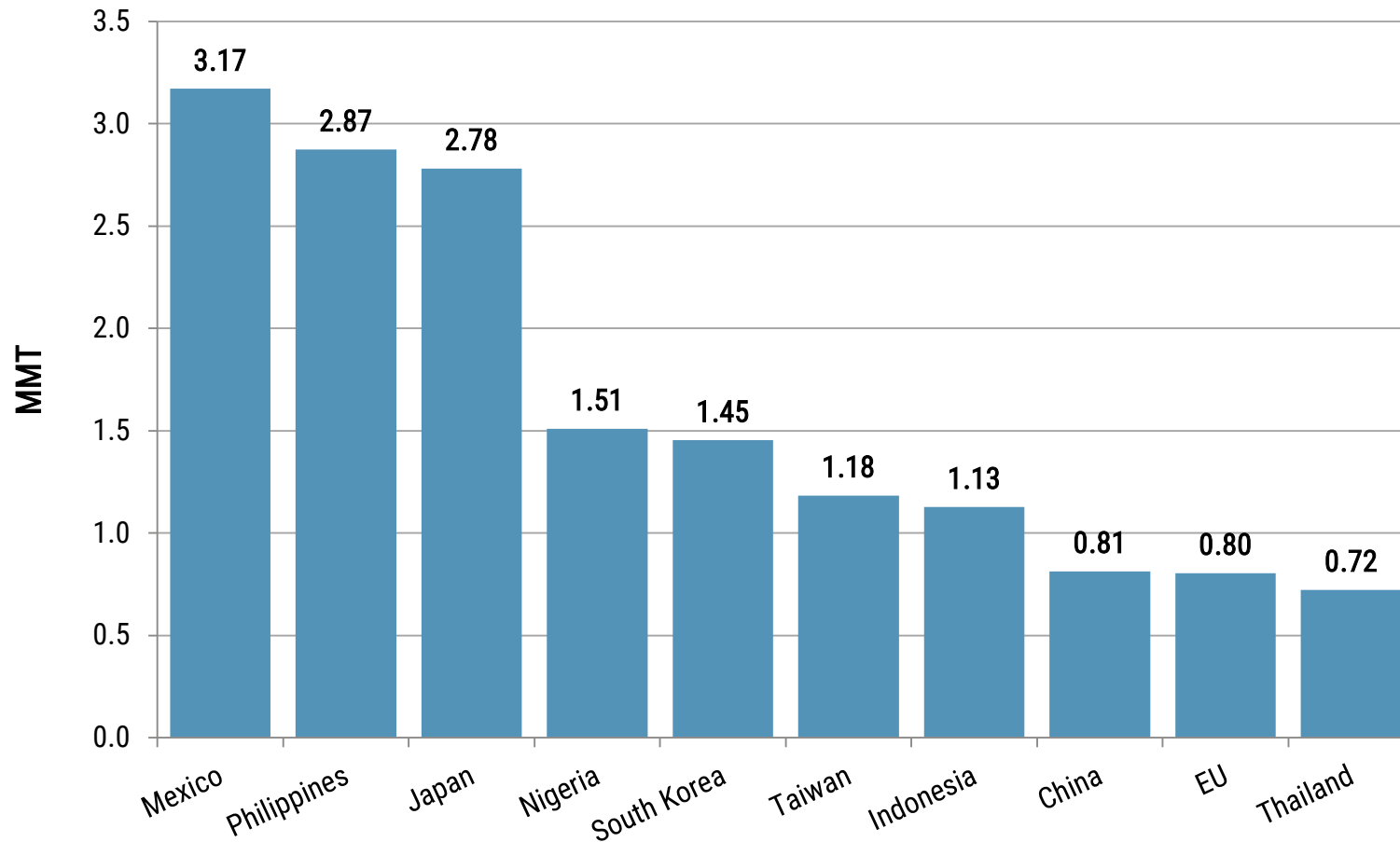
02

Import Demand

Major World Wheat Importers



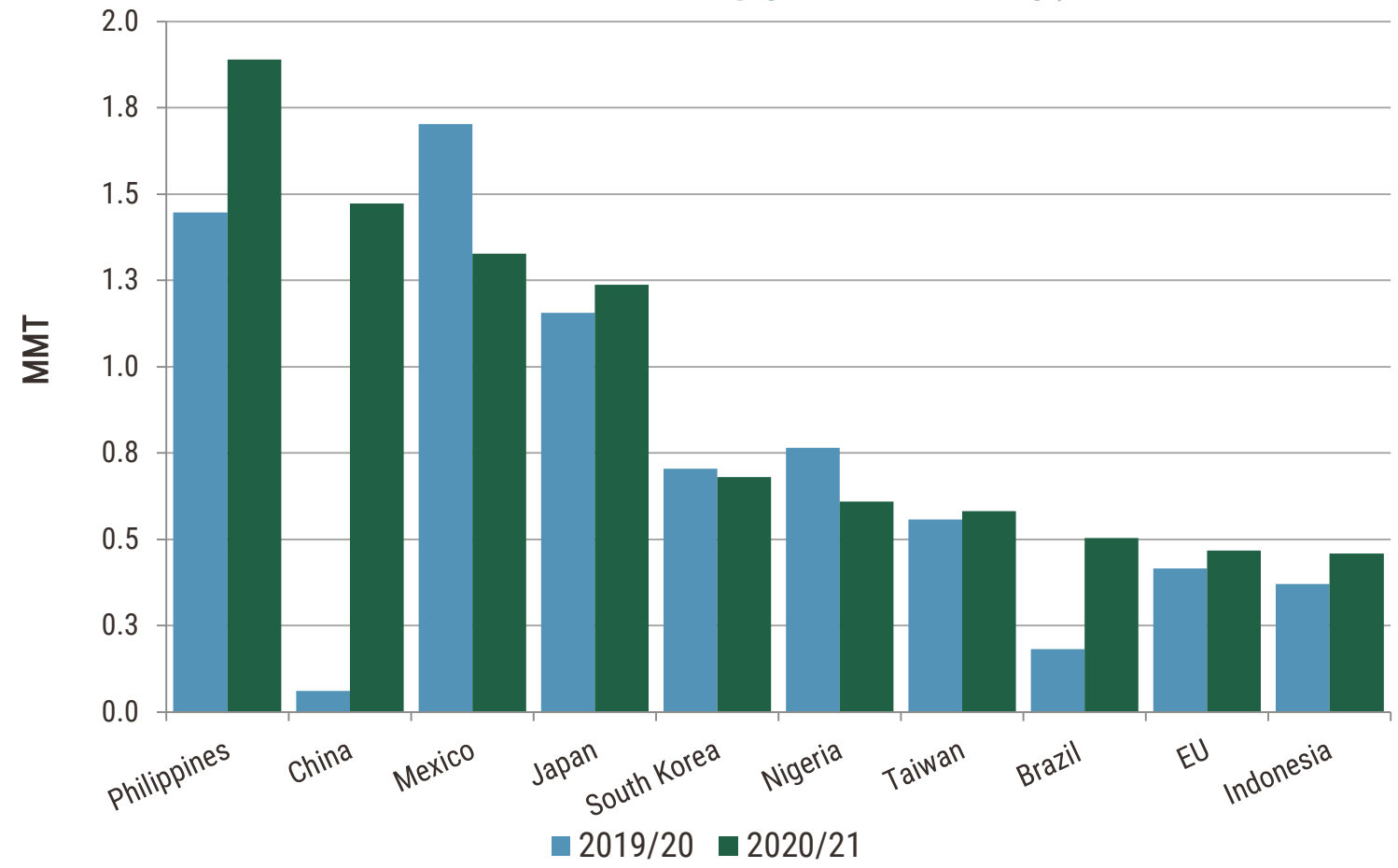
Top 10 Customers for U.S. Wheat (5-year average)



Source: USDA FAS export sales data as of May 31, 2020



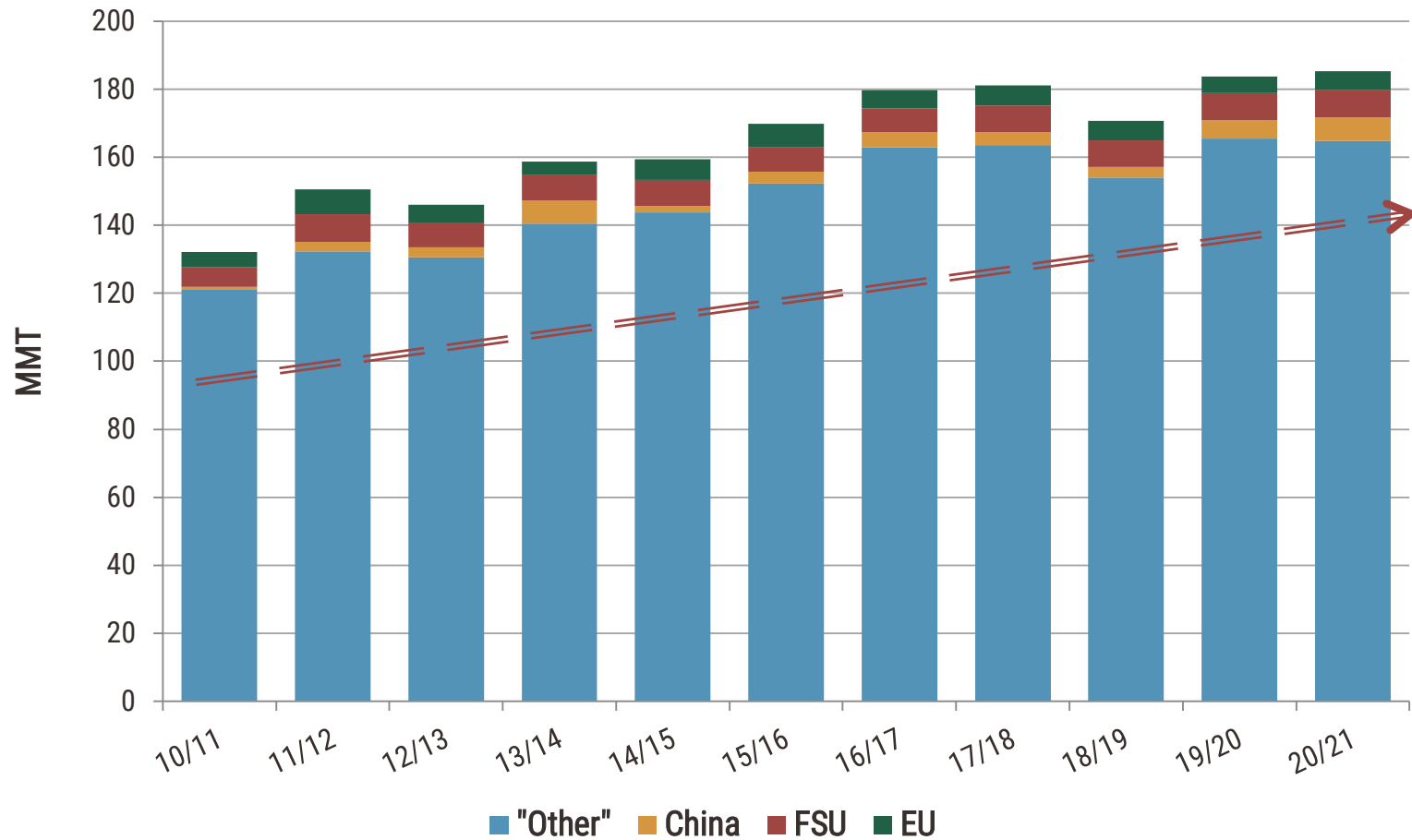
Top 10 Customers for U.S. Wheat (year-to-date sales for current marketing year delivery)



Source: USDA FAS export sales data as of September 3, 2020



World Wheat Imports

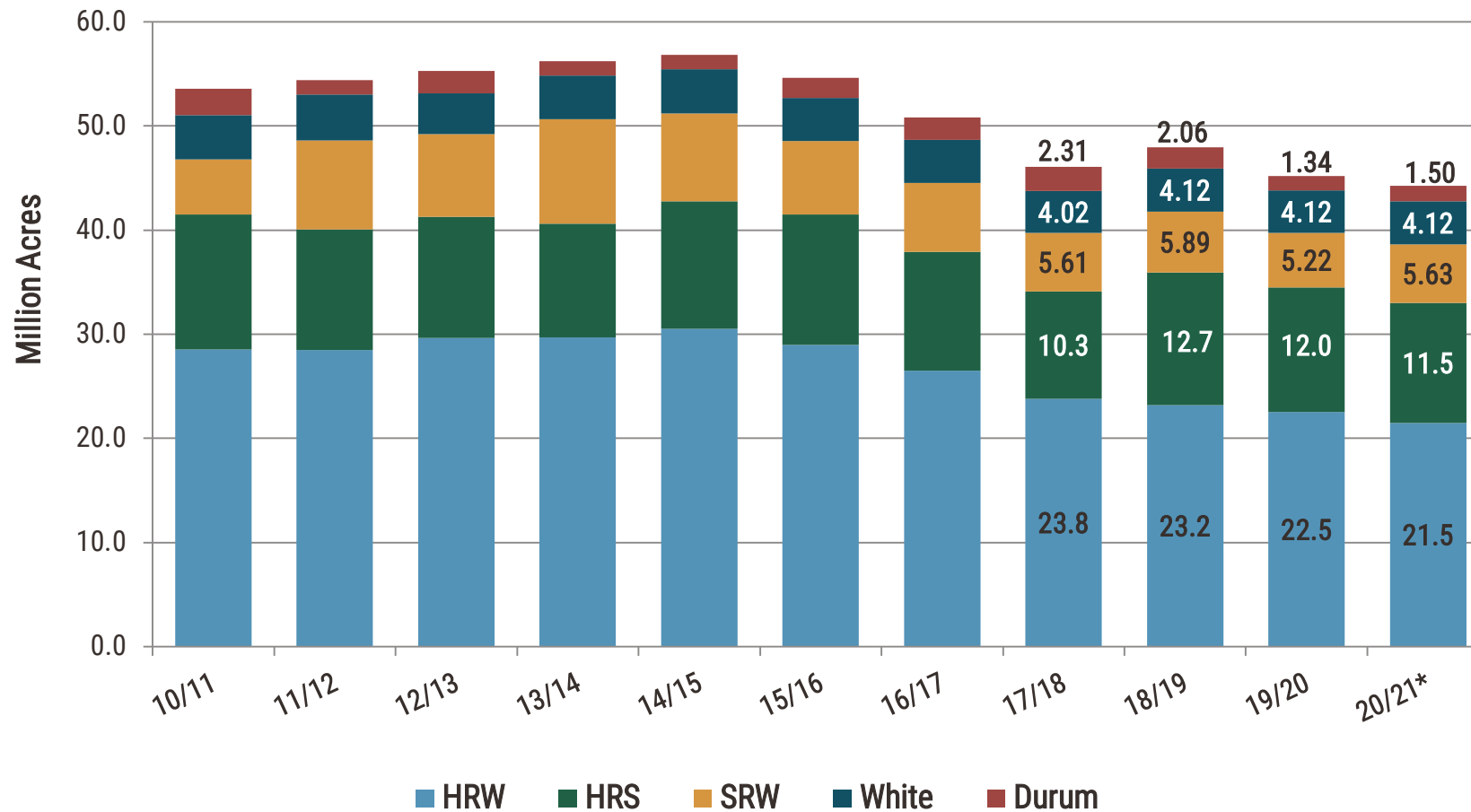




03

U.S. Situation by Class

U.S. Wheat Planted Area



*Source: June 2020 USDA Acreage Report

U.S. Wheat Sales by Class

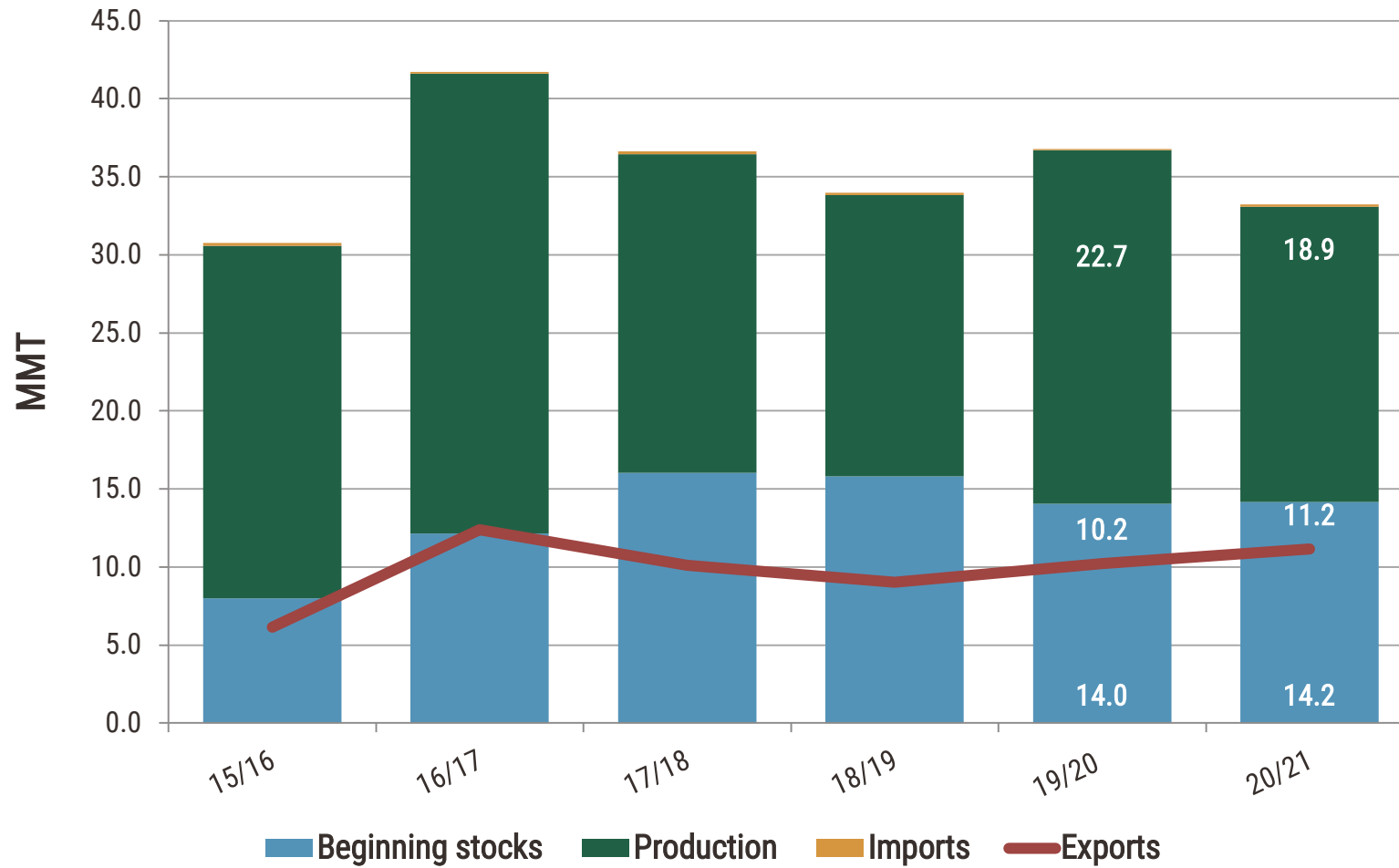
(year-to-date sales for current marketing year delivery)



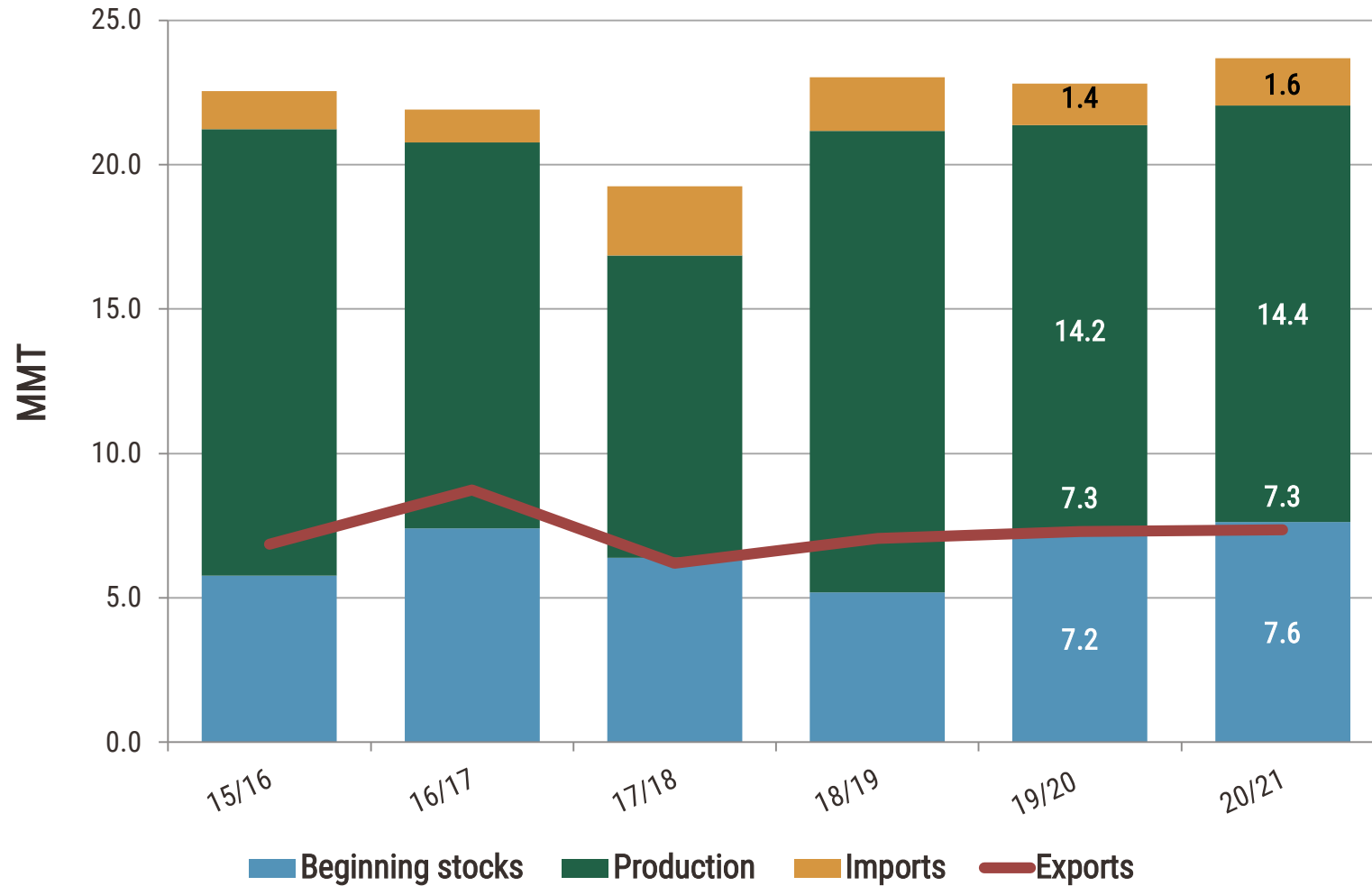
Source: USDA FAS export sales data as of September 3, 2020



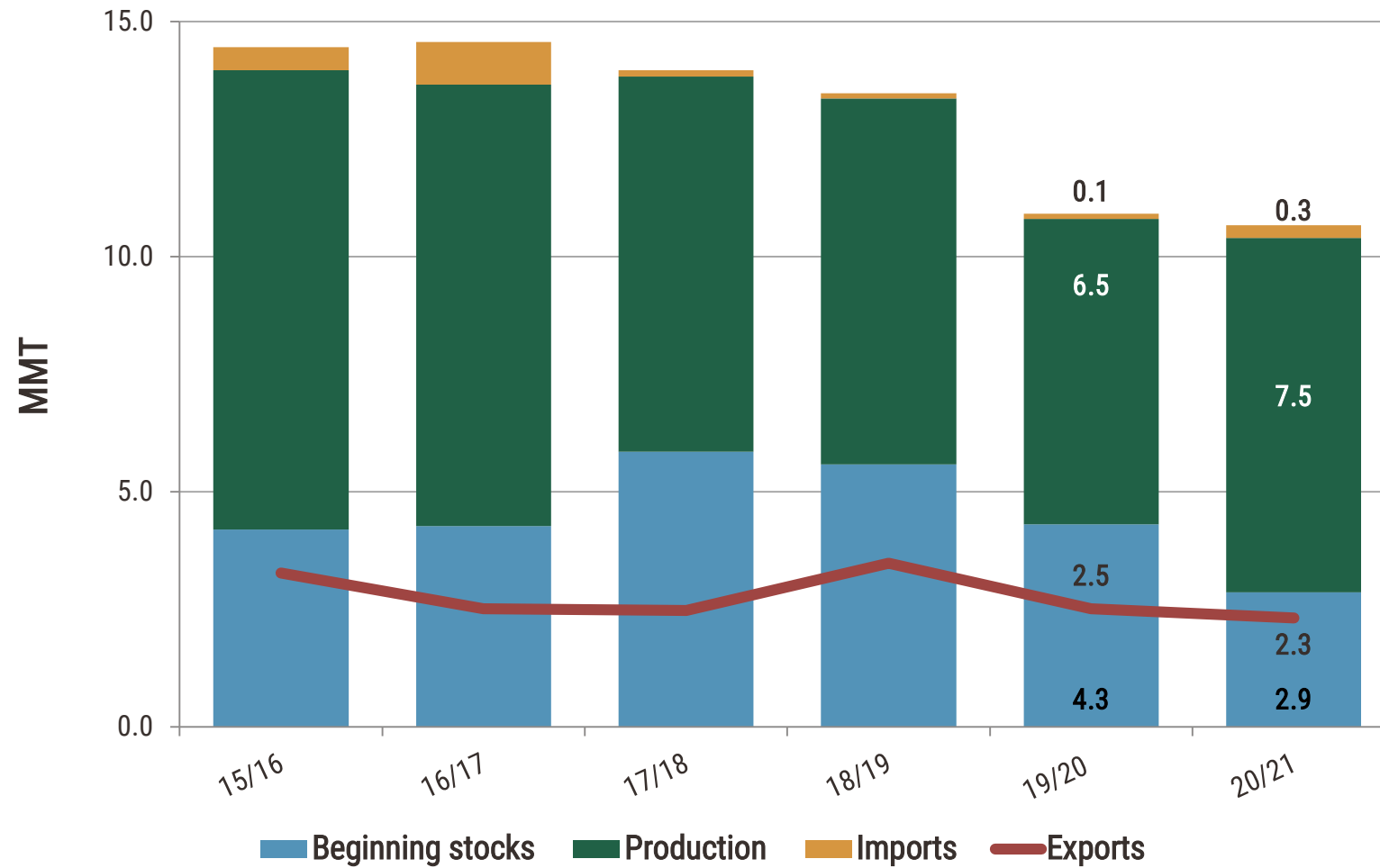
U.S. Hard Red Winter



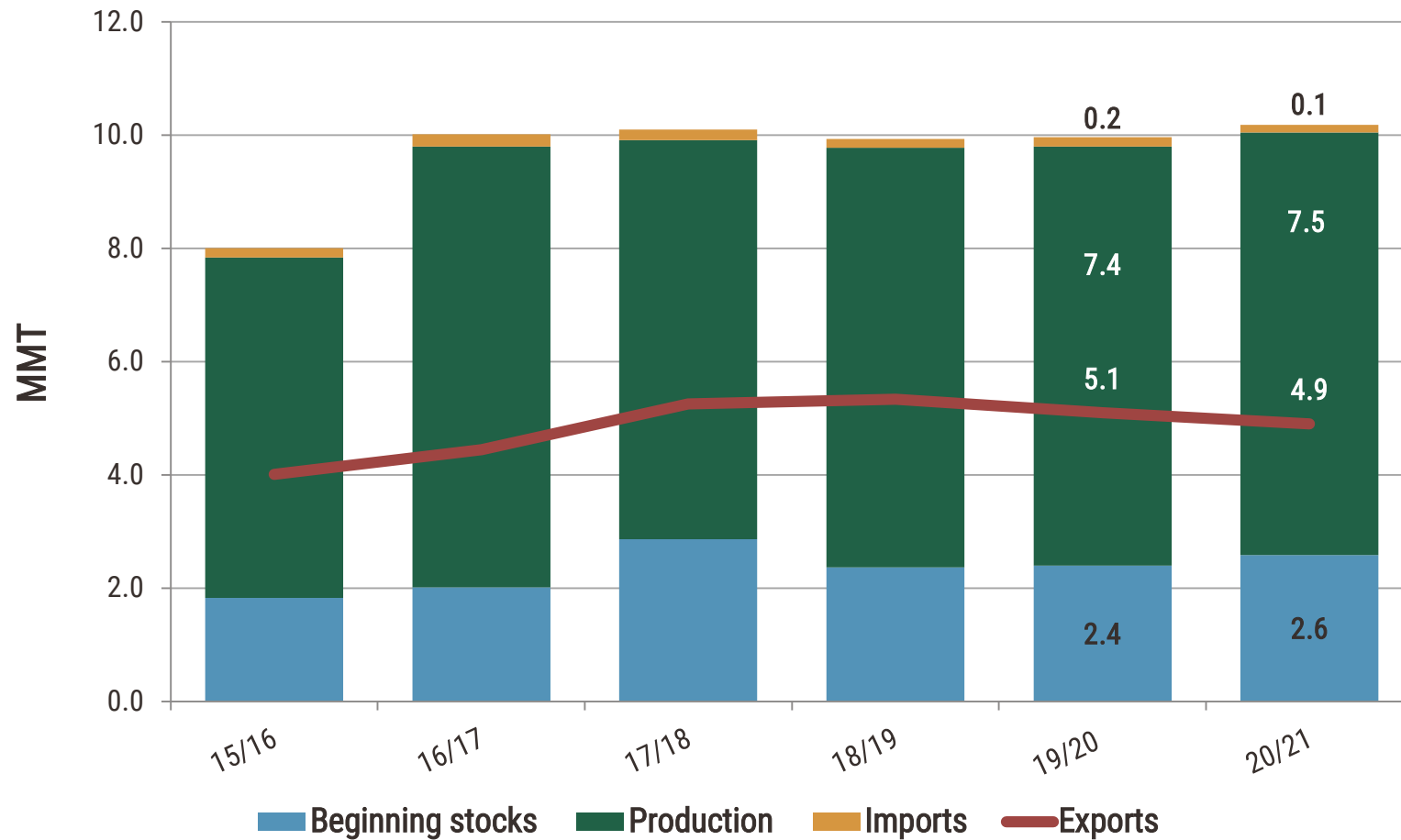
U.S. Hard Red Spring



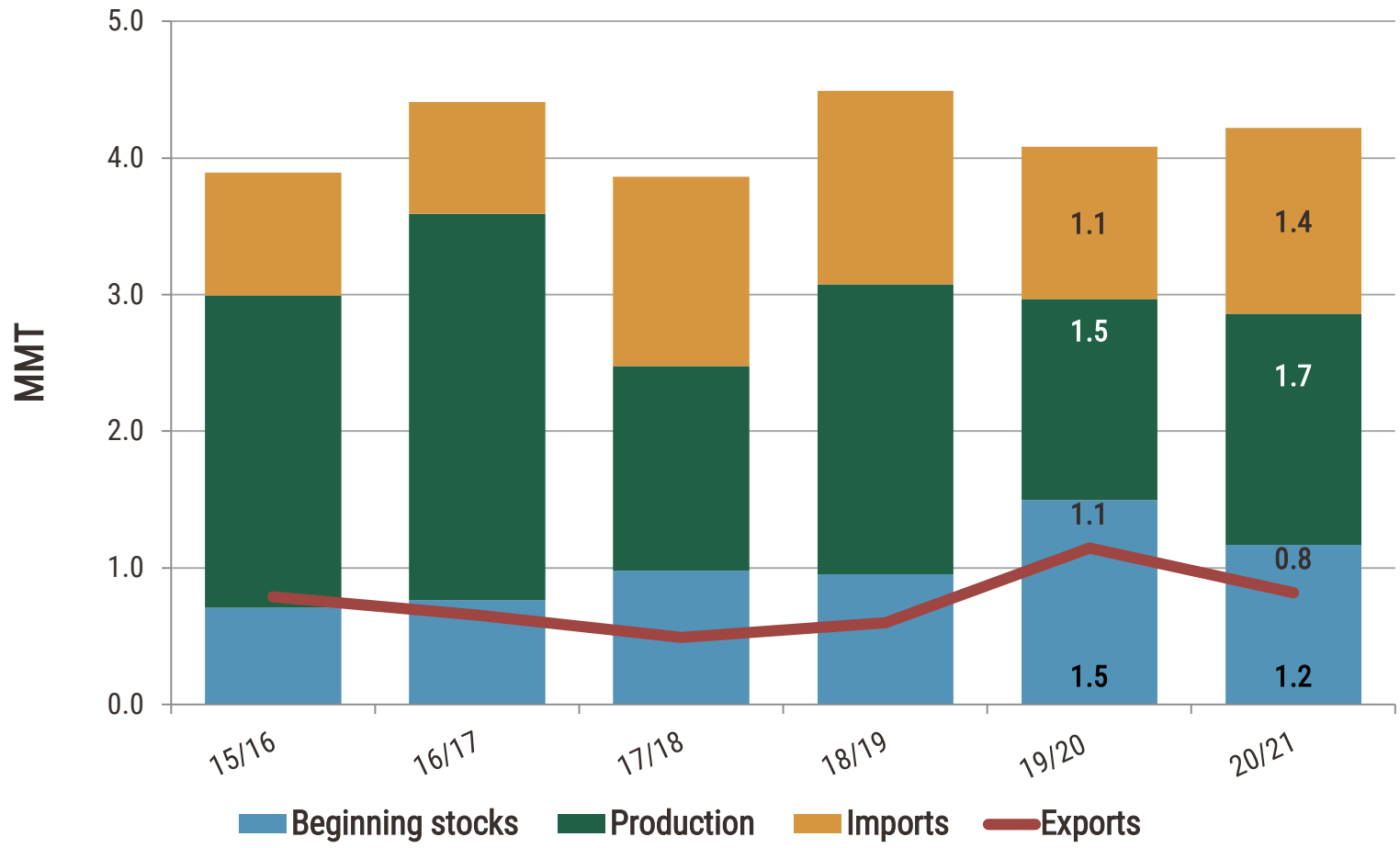
U.S. Soft Red Winter



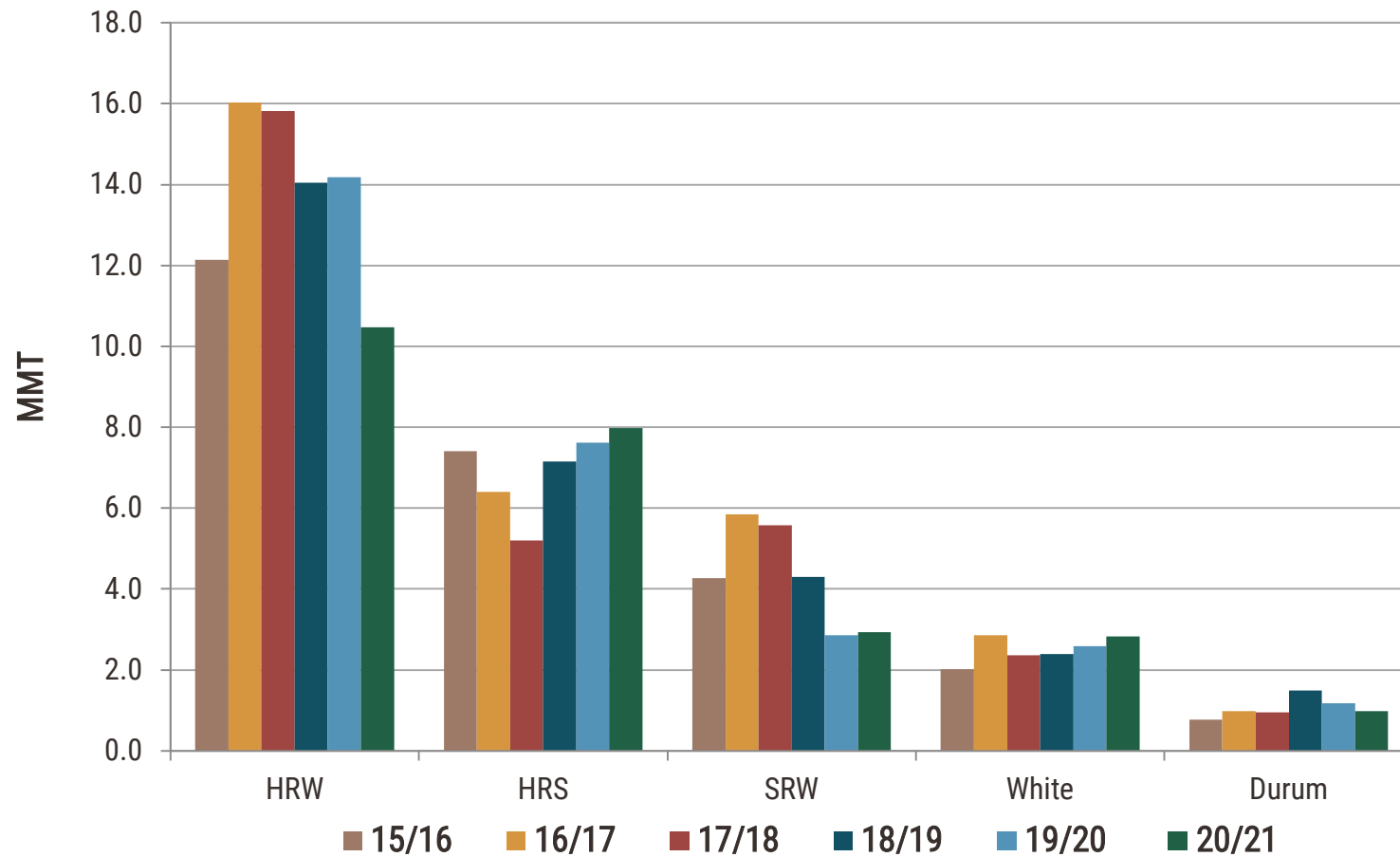
U.S. White



U.S. Durum



U.S. Wheat Ending Stocks by Class



U.S. Wheat Supply and Demand (MMT)

	HRW		HRS		SRW	
	<u>19/20</u>	<u>20/21</u>	<u>19/20</u>	<u>20/21</u>	<u>19/20</u>	<u>20/21</u>
Beginning Stocks	14.0	14.2	7.16	7.62	4.30	2.86
Production	22.7	18.9	14.2	14.4	6.50	7.54
Supply Total	36.8	33.2	22.8	23.7	10.91	10.7
Domestic Use	12.4	11.6	7.87	8.36	5.55	5.42
Exports	10.2	11.2	7.29	7.35	2.50	2.31
Use Total	22.6	22.8	15.2	15.7	8.06	7.73
Ending Stocks	14.2	10.5	7.62	7.97	2.86	2.94
Stocks-to-Use	63%	46%	50%	51%	35%	38%

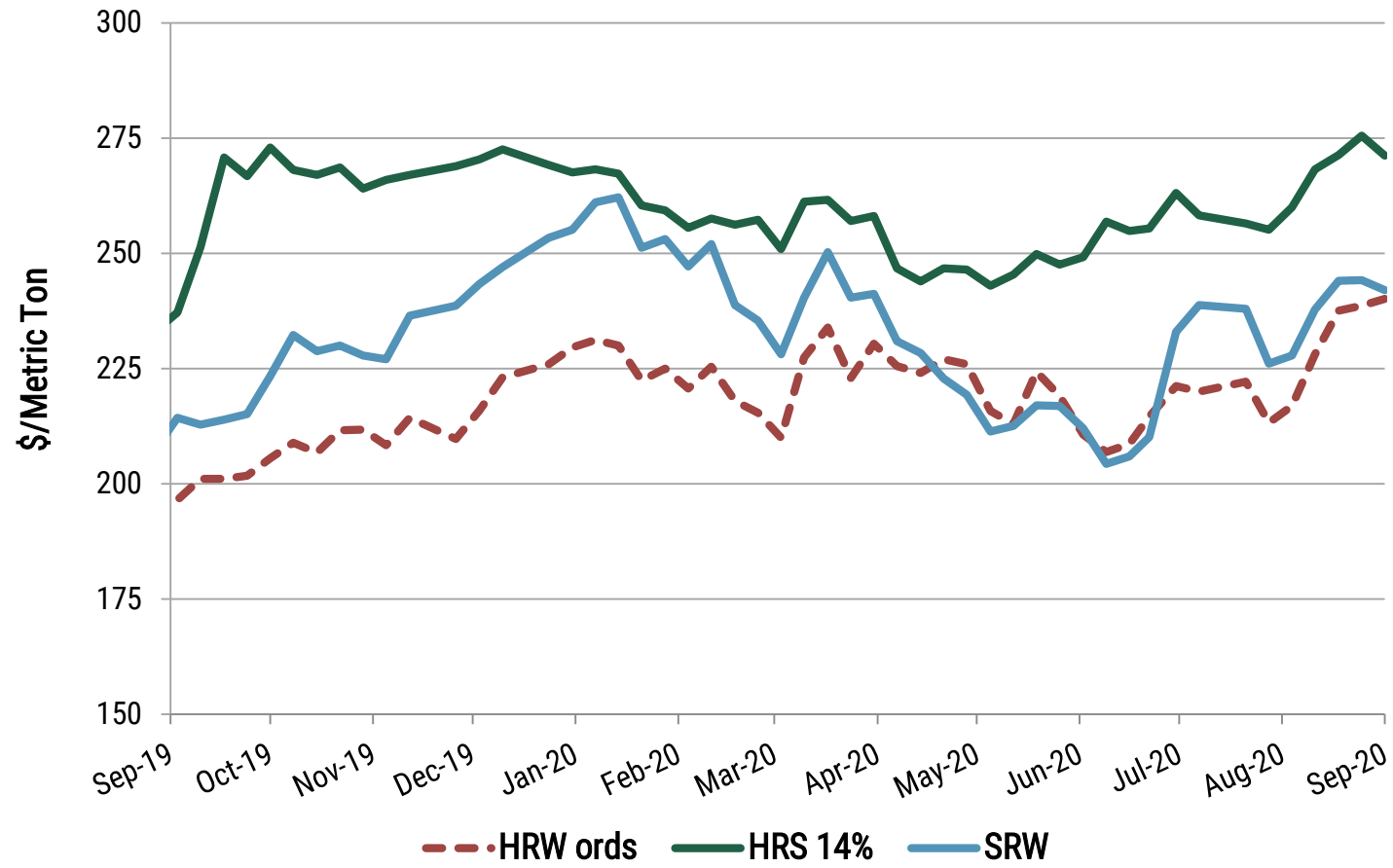


U.S. Wheat Supply and Demand (MMT)

	White		Durum		Total	
	<u>19/20</u>	<u>20/21</u>	<u>19/20</u>	<u>20/21</u>	<u>19/20</u>	<u>20/21</u>
Beginning Stocks	2.40	2.59	1.50	1.17	29.4	28.4
Production	7.40	7.46	1.47	1.69	52.3	50.0
Supply Total	10.0	10.18	4.08	4.22	84.5	81.9
Domestic Use	2.29	2.45	1.77	2.42	29.8	30.2
Exports	5.09	4.90	1.14	0.82	26.3	26.5
Use Total	7.38	7.35	2.91	3.24	56.1	56.8
Ending Stocks	2.59	2.83	1.17	0.98	28.4	25.2
Stocks-to-Use	35%	39%	40%	30%	51%	44%

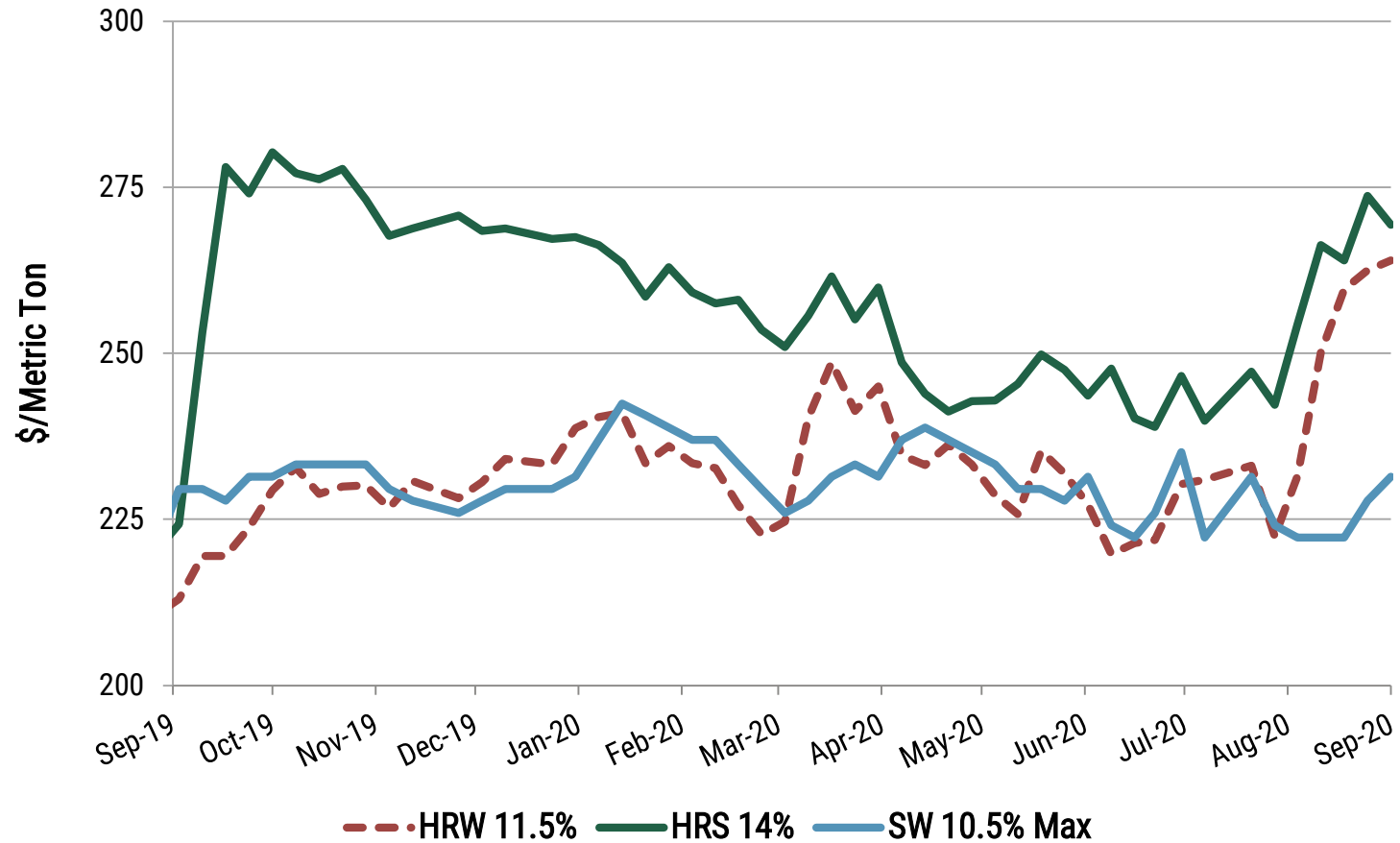


U.S. FOB Gulf Prices



Source: U.S. Wheat Associates Price Report, September 11, 2020

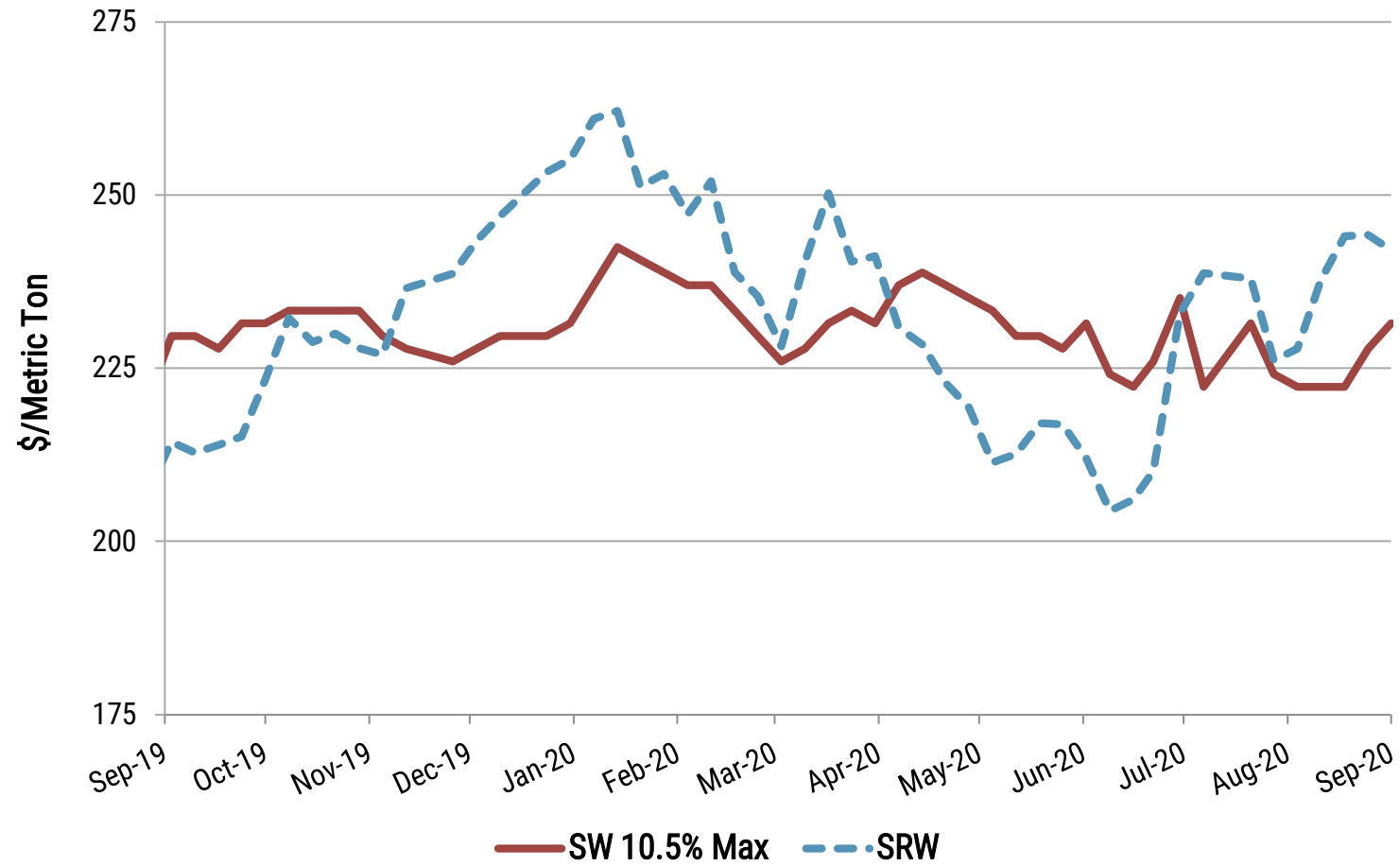
U.S. FOB PNW Prices



Source: U.S. Wheat Associates Price Report, September 11, 2020



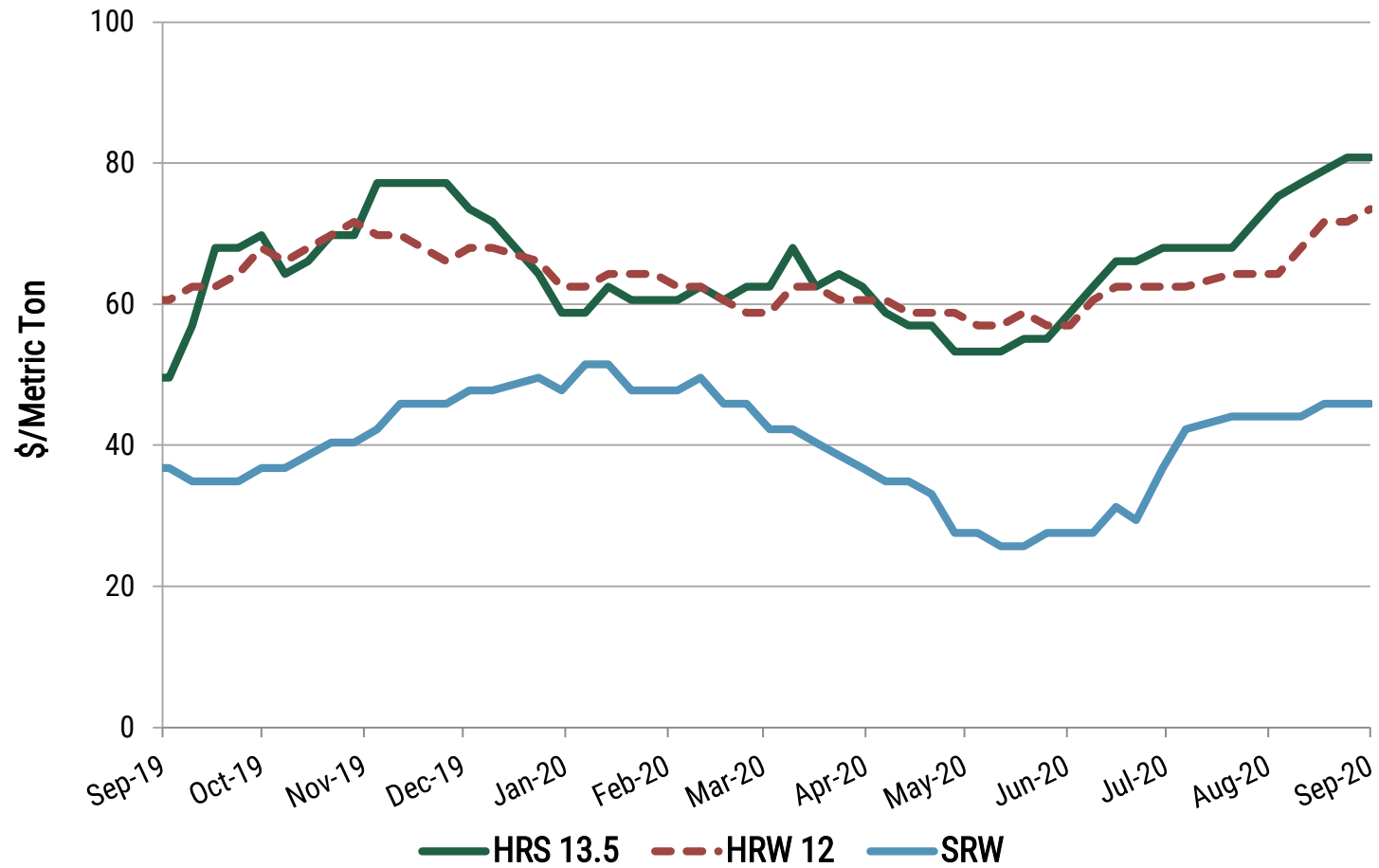
U.S. FOB Soft White and SRW Prices



Source: U.S. Wheat Associates Price Report, September 11, 2020



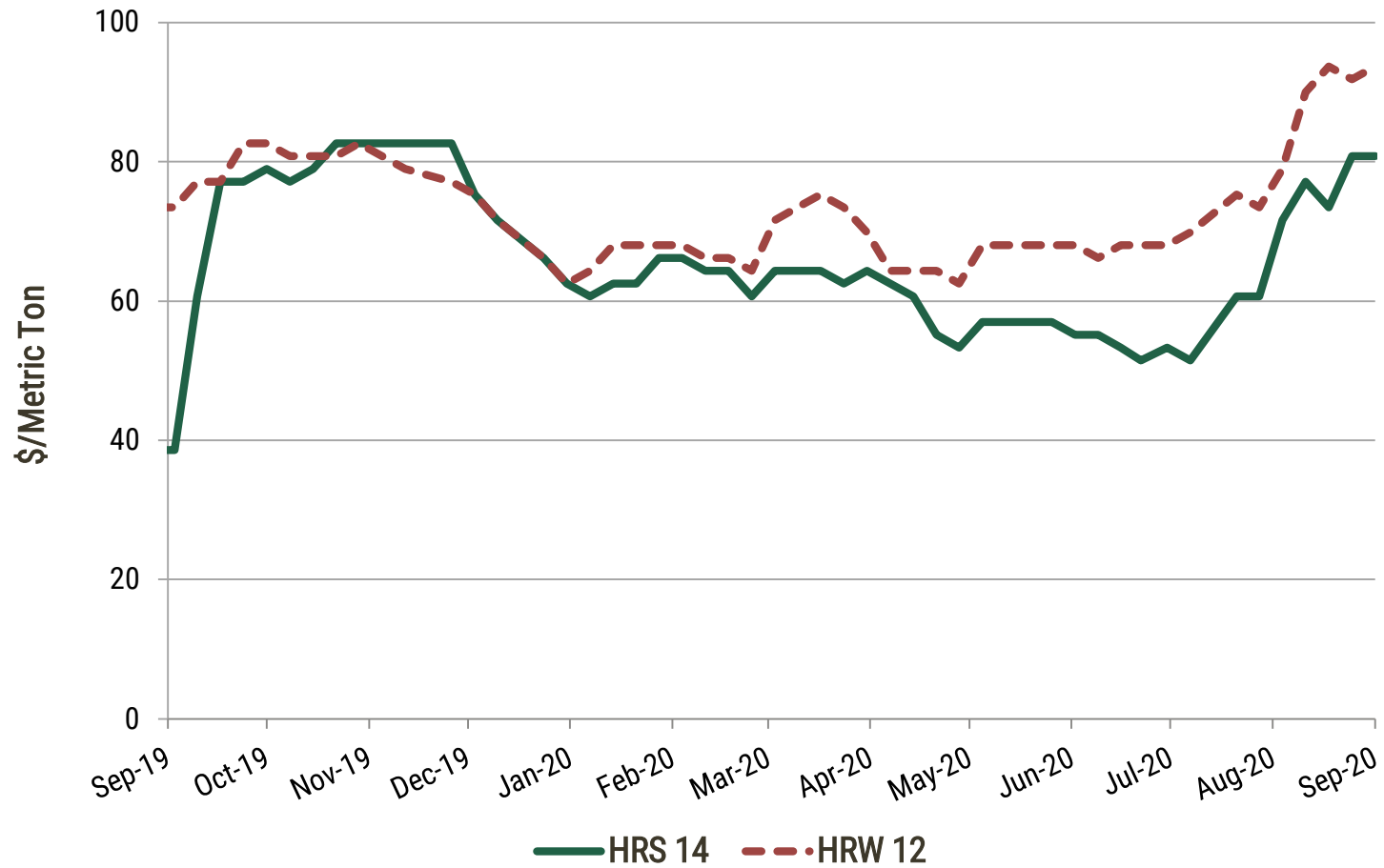
U.S. Gulf Export Basis



Source: U.S. Wheat Associates Price Report, September 11, 2020



U.S. PNW Export Basis



Source: U.S. Wheat Associates Price Report, September 11, 2020



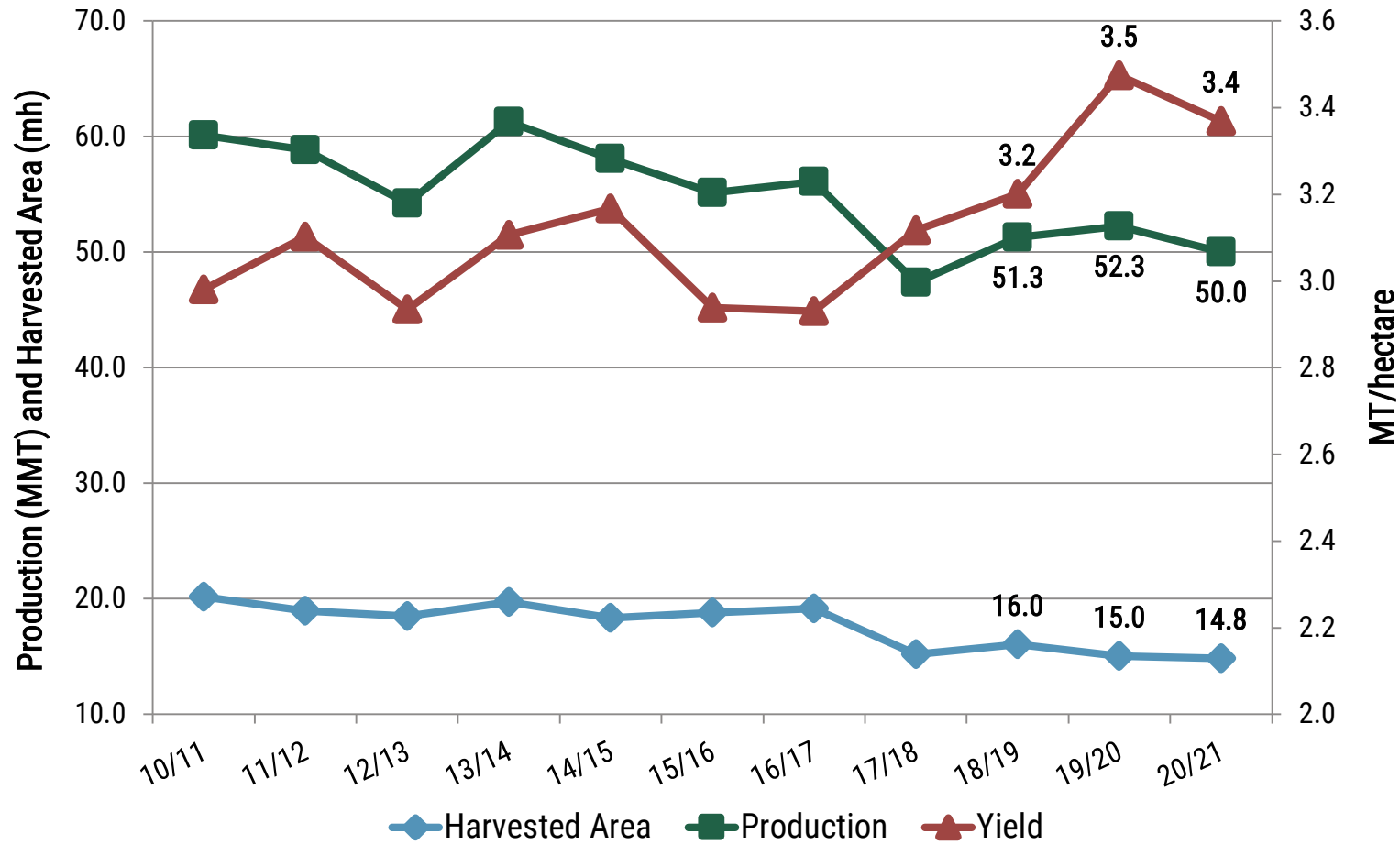


04

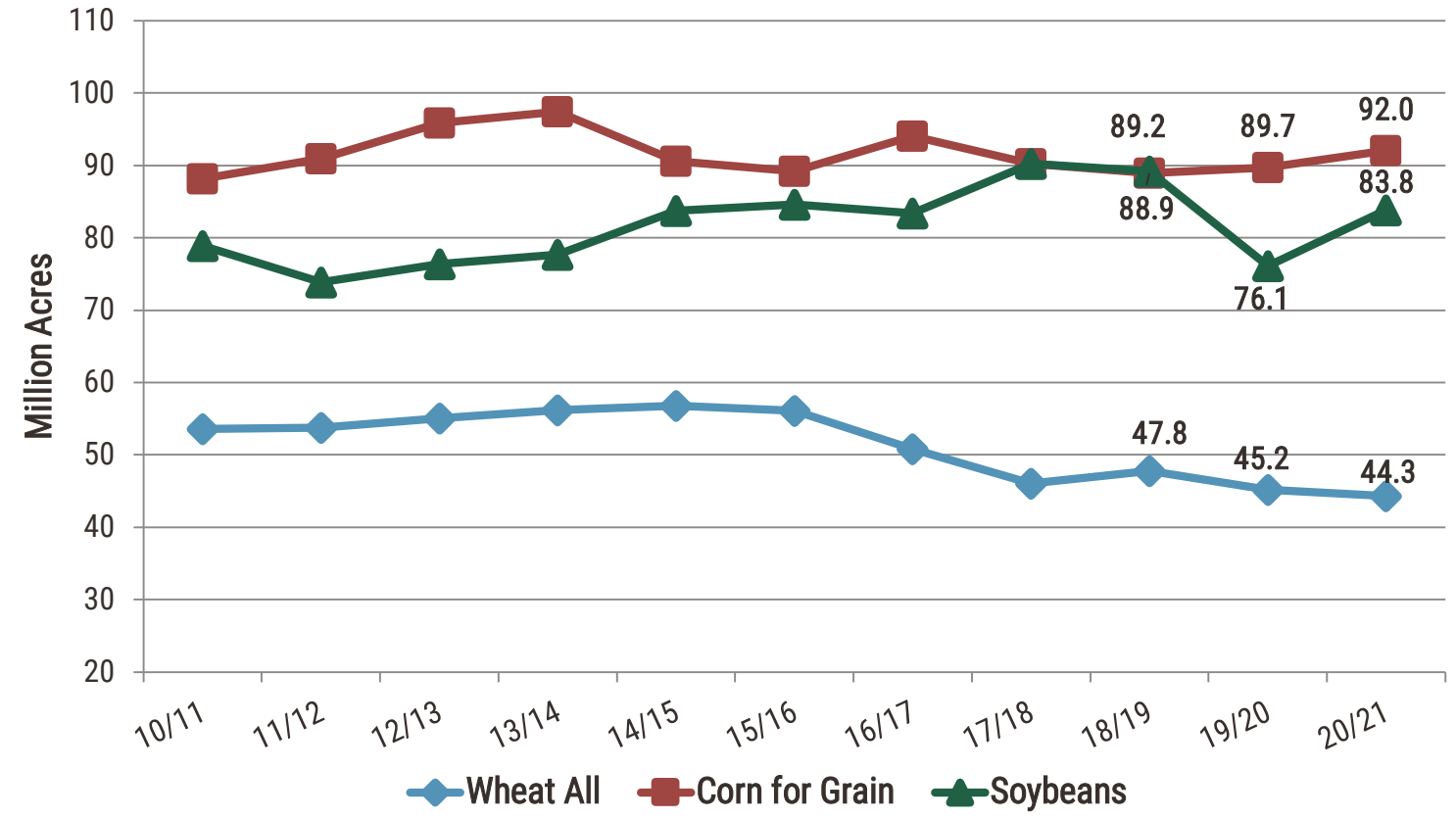
Outlook



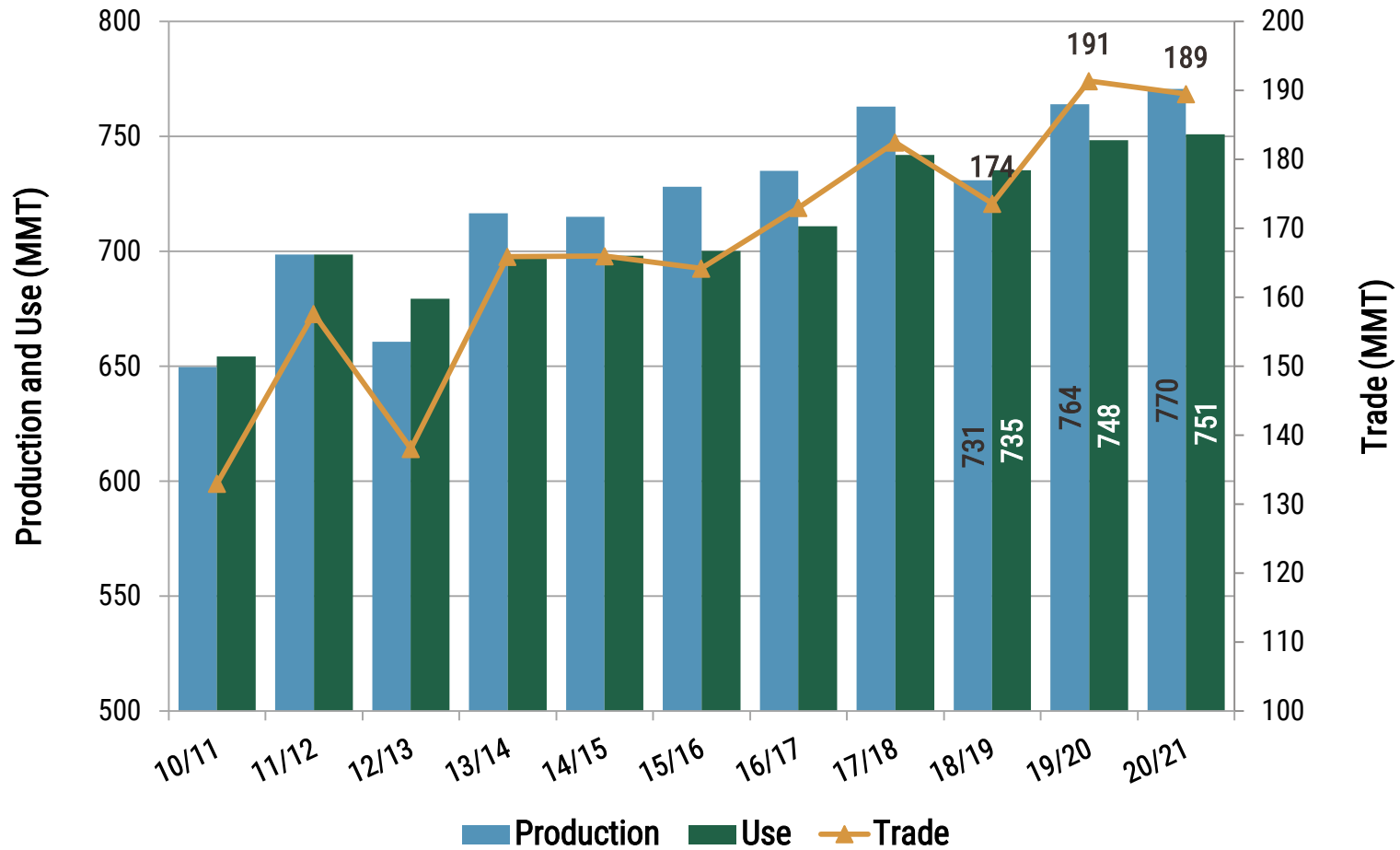
U.S. Wheat Production, Area and Yield



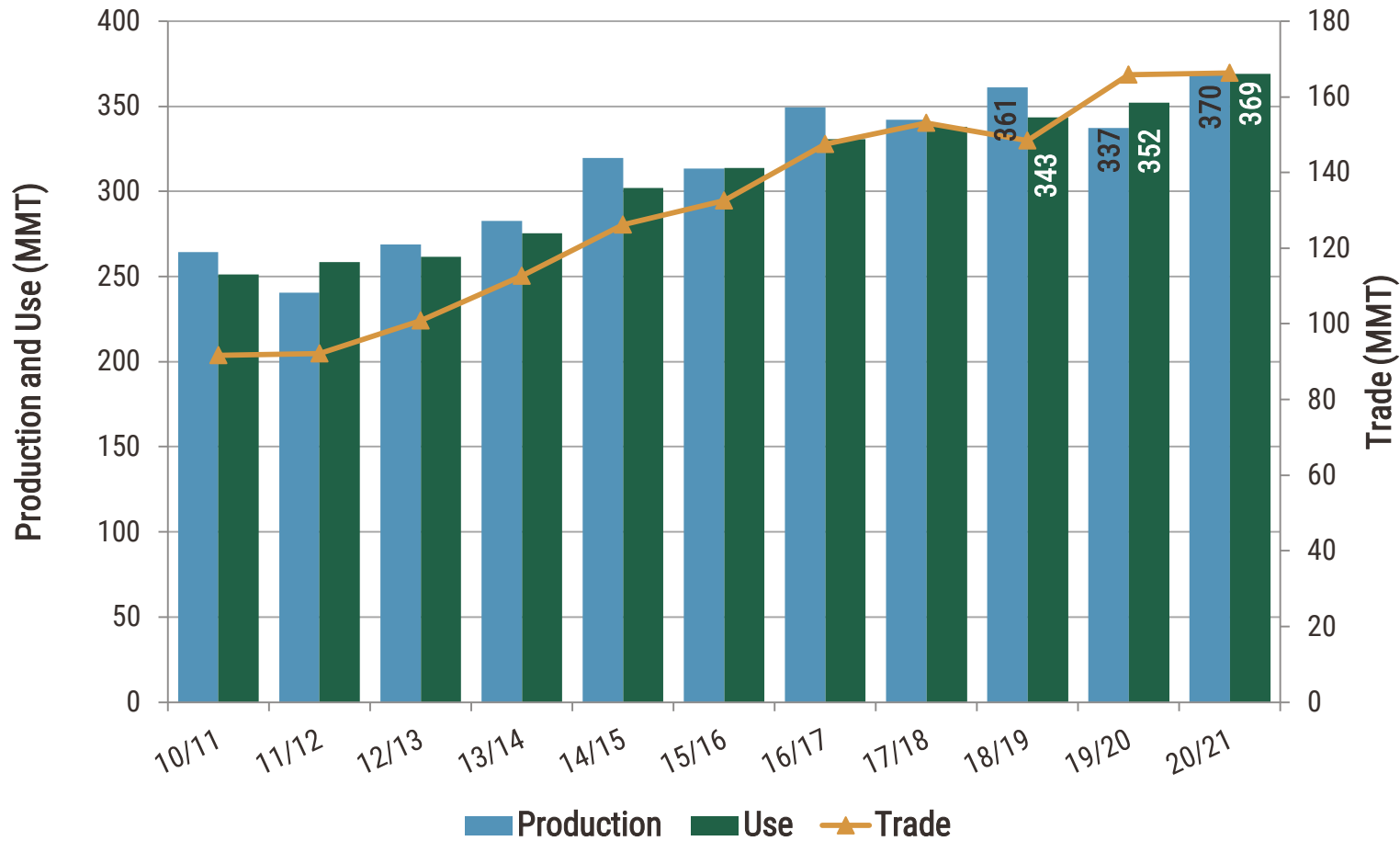
U.S. Crop Planted Area Comparison



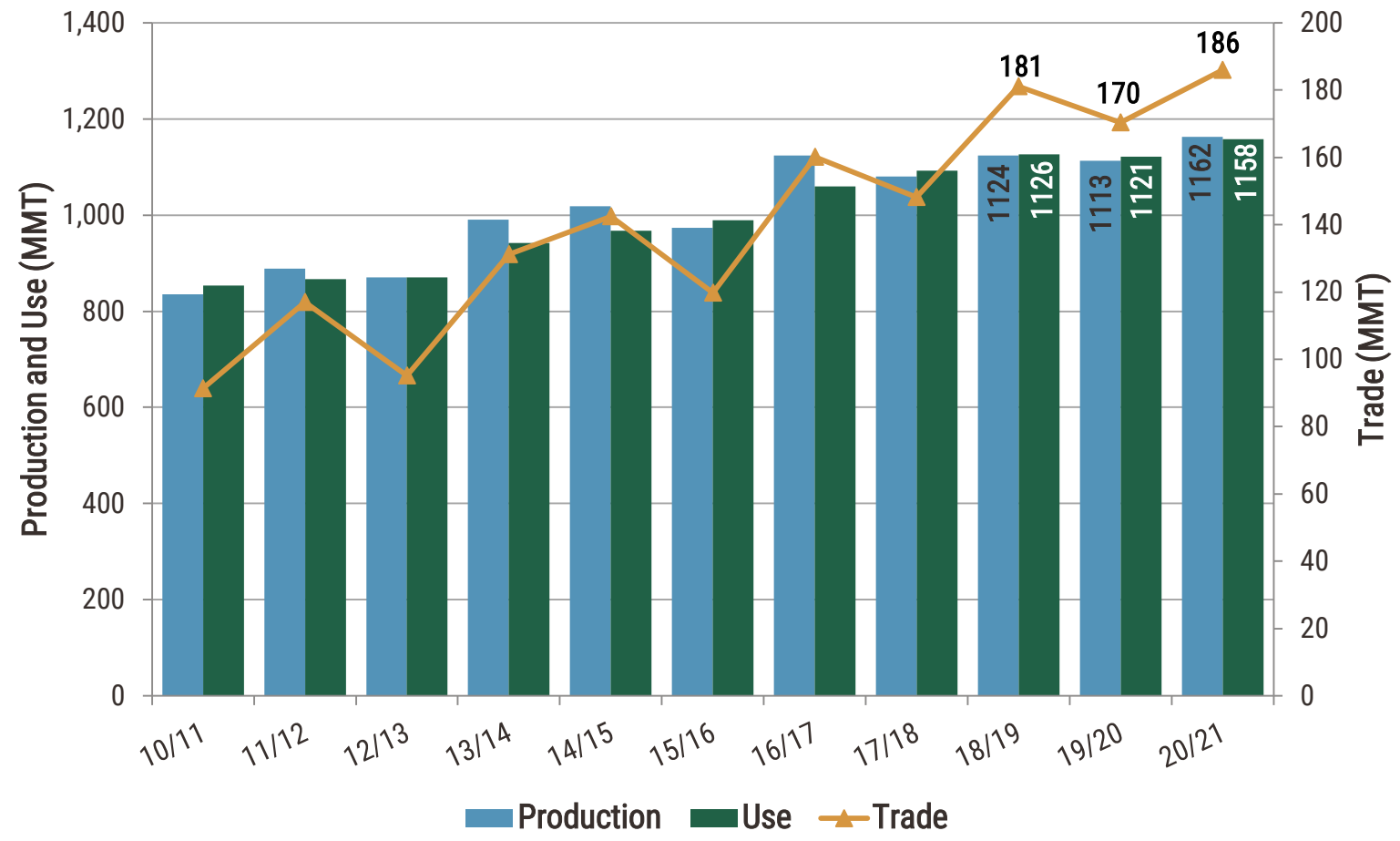
World Wheat Production, Use and Trade



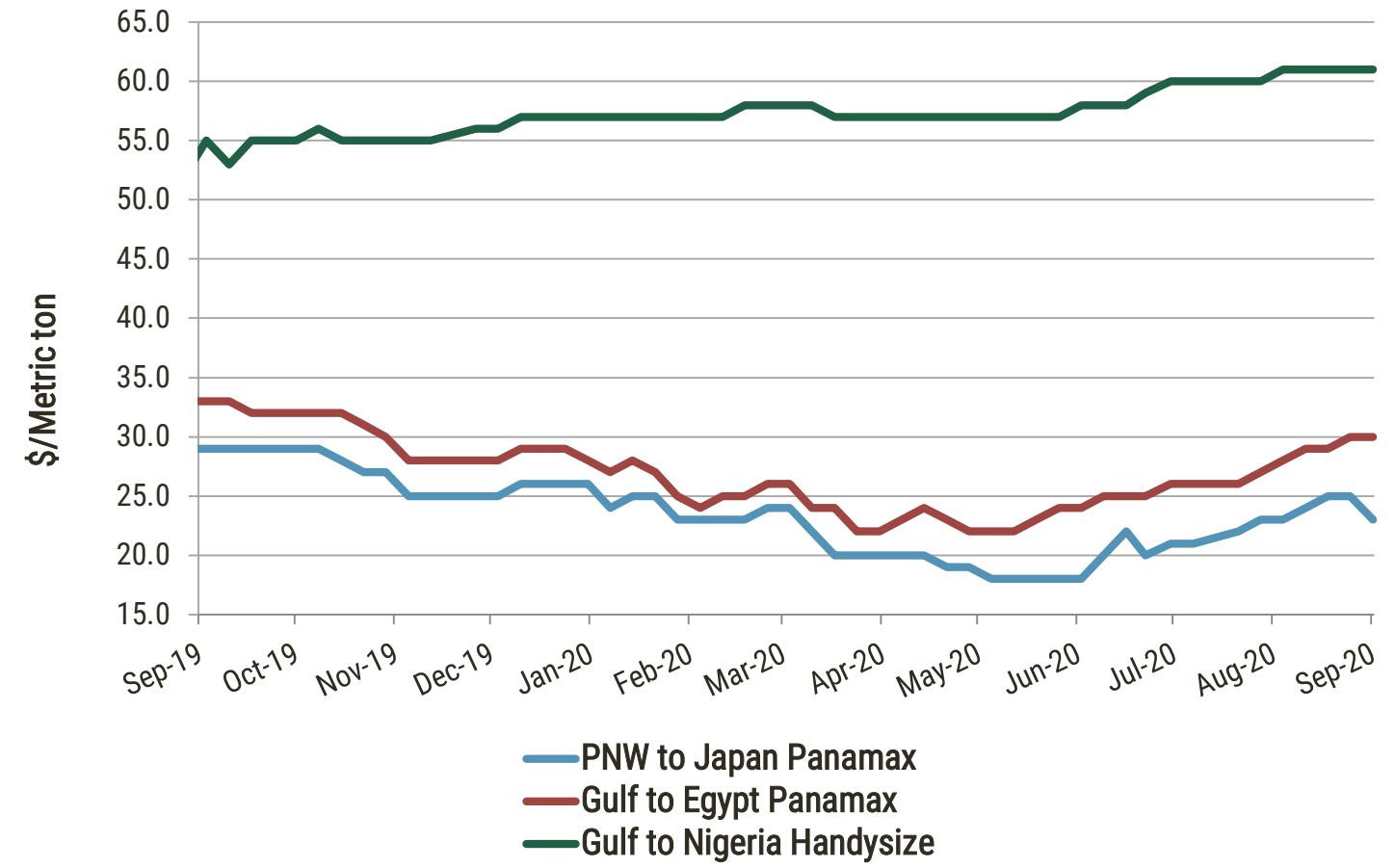
World Corn Production, Use and Trade



World Soybeans Production, Use and Trade



Ocean Freight Rates for Grains



Source: U.S. Wheat Associates Price Report, September 11, 2020



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- U.S. ending stocks are expected to drop 11% from last year to 25.2 MMT, the lowest in 6 years

World consumption to reach a record 751 MMT in 2020/21

- Total global trade to fall slightly from last year's record to 189 MMT, still 4% more than the 5-year average
- U.S. 2020/21 domestic consumption to increase 1% from last year to 30.2 MMT



THANK YOU



**U.S. WHEAT
ASSOCIATES**